



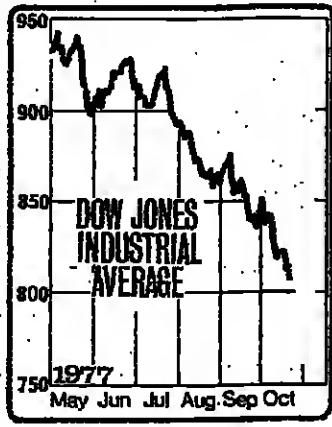
Weather Green LEOPOLD ARMER & SONS Estate Agents & Valuers COMMERCIAL AND INDUSTRIAL PROPERTY PLANT & MACHINERY

calls... IS' cas... brain was injured'

NEWS SUMMARY

GENERAL BUSINESS Wall St. rallies after fall below 800

WALL STREET was hit by a wave of selling yesterday. The Dow Jones Industrial Average reached a two-year low of 192.79 in active trading.



Mr. Kruger refused to comment on the findings... Biko's death

assassination... Mr. Bin Laden died in hospital

power blackout... throughout Britain and readily Cires, London

troop cuts hint... Roy Mason, Northern Ireland secretary

chleyer buried... German President Walter Kiel, called for an international convention

arty rift threat... dia's opposition Congress Party making strenuous efforts

riefly... Mr. Mandoub Salem of Syria has dropped his ministers

Share code for directors... A CODE of conduct for directors dealing in the shares

Table with columns: RISES, FALLS, and various stock symbols like Sillfontein, Tronob, West Drie, etc.

Michael Edwardes appointed new Leyland chairman

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

Mr. Michael Edwardes, 47-year-old chairman and chief executive of the Chloride battery group, was yesterday named as the new full-time chairman of British Leyland.

Mr. Edwardes will also take on the functions of chief executive, although the title was not used in yesterday's announcement.

At the same time, it became clear that the National Enterprise Board was already planning a major re-organisation of management and structure

Mr. Edwardes said yesterday that Mr. Leslie Murphy, the NEB chairman, first asked him if he would take the job as executive chairman of Leyland

That was nearly three weeks before Sir Richard's resignation. Sir Richard only heard about the plans when he presented his resignation to Mr. Murphy last Friday.

Mr. Edwardes' appointment follows a radical change in the relationship between the NEB and British Leyland. Originally, it was intended that there should be an arms-length relationship between the NEB as major shareholder and British Leyland.

But as one crisis followed another this year—the tool-makers' dispute, the "slush fund" allegations and the disruption caused by the Lucas stoppage—the NEB increasingly became the sole source of British Leyland's funds

Mr. Edwardes' appointment was unanimously approved by the NEB directors after there had been some consultation with Mr. Eric Varley, the Secretary for Industry

Mr. Edwardes joins Leyland on November 1 and at that time Mr. Park becomes executive vice-chairman. Mr. Edwardes said last night his management policy was to gather together a top team in which all the members work in harmony

Mr. Edwardes said that his salary has still to be agreed. "It did not come high up on the list of priorities," the arrangement is that he is being succeeded by Leyland by Chloride which will continue to pay his salary

Mr. Edwardes said: "Geoffrey Hawkins, Chloride's deputy chairman, and I have reviewed the situation with each director and we are quite satisfied that Chloride has the management to continue to grow profitably."

He will remain non-executive deputy chairman of Chloride, Mr. Hawkins will be chairman from November 16 and Mr. John Ray, managing director of Chloride Europe has been appointed chief executive with immediate effect.

Tide turning for China says Vice-Premier

BY DAVID HOUSEGO, ASIA CORRESPONDENT

AFTER two years' stagnation, China's economy is regaining momentum according to the chairman of the State Planning Committee.

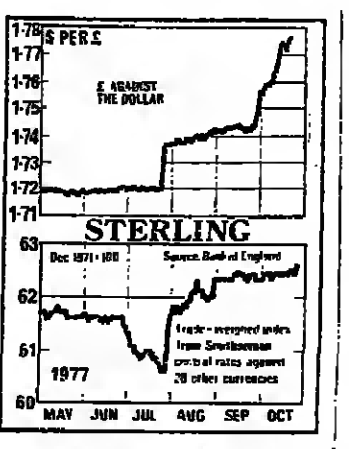
In a major policy speech on Sunday before the standing committee of the fourth National People's Congress, Vice-Premier Yu Chiu-Li also gave one of the most detailed accounts of the economic policies of the new régime since the overthrow of the "Gang of Four."

Mr. Yu said that industrial production had risen 12 per cent in value in the first nine months of this year compared with the corresponding period in 1976. This is well above the 8 per cent growth rate Western experts had anticipated for the year as a whole.

Mr. Yu was quoted as saying: "The tide is now turning and the economic front, which is of vital significance, and a new leap forward is taking shape in the economy."

He gave, however, a far less glowing account of progress in agriculture saying that "fairly good harvests were gathered in many regions and the yield for cotton and vegetable oil crops is better than last year."

He added: "No significant improvement has yet been made as regards the poor quality of products, the low productivity and the tying up of too much funds."



STERLING

Pound at 13-month peak

BY OUR ECONOMICS CORRESPONDENT

STERLING yesterday rose to its highest level for more than 13 months against not only the dollar but also, more significantly, against other major currencies.

The trade-weighted index of the pound's value against a basket of other currencies yesterday rose by 0.2 to 62.6, the highest figure since mid-September last year.

There are no signs yet that the Bank of England has changed its policy of maintaining a roughly stable value for the pound against the trade-weighted index.

Pressures

The general expectation is that only quite minor relaxations in exchange controls will be announced in today's economic statement.

The pound yesterday rose 26 points against the dollar to \$1.7789 following a gain of 49 points on Monday.

The dollar closed firmer yesterday after a widespread central bank intervention. At one stage it touched a new low against the yen and Swiss franc but closed slightly up on the day on balance against both.

Mr. Edwardes said: "The tide is now turning and the economic front, which is of vital significance, and a new leap forward is taking shape in the economy."

He added: "No significant improvement has yet been made as regards the poor quality of products, the low productivity and the tying up of too much funds."

In a direct reference to improving workers' incentives he indicated that there should be more pay for increased work and less pay for less work.

He disclosed officially that wages were being increased from October 1 for about 45 per cent of workers and the rest of workers are to start development of the fuel and mostly those with long power industries, and the experience. A further 10 per cent of workers are to get small increases. These are the first official pay rises in China for more than 10 years.

Unemployed total falls to 1.43m.

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

UNEMPLOYMENT stopped rising in the past month. But it is too early yet to say whether this is merely a temporary check or a more fundamental reversal of the sharply rising trend of the summer.

The news is, however, clearly welcome to the Government on the eve of this afternoon's mini-budget statement by Mr. Denis Healey, the Chancellor of the Exchequer. He is expected to speak at 3.30 p.m. for about 30 minutes followed by about an hour of questions.

The Department of Employment announced yesterday that the number of adults out of work in the U.K. fell by 10,000 to 1,430,000, seasonally adjusted, in the month in mid-October. This is equivalent to 6.1 per cent of the workforce.

Officials pointed out, however, that the drop in the last month is explained by school leavers aged over 17 leaving the register. This group is regarded as adults rather than school leavers and the jobs total in July.

Consequently unemployment is seen in Whitehall as static following the rise of 130,500 between mid-May and mid-September. The average rate of increase in the last three months is just over 11,000.

The view of most economists is that the underlying trend is still upwards because of the continuing slow rate of growth of domestic economic activity and steady rise in the labour force, with no halt to the increase likely

Another fairly positive point in the last month is the decline of 101,000 to 1,130,000 in the number of people aged under 60 who have been unemployed for more than four weeks. This excludes those moving between jobs and nearing retirement. However, the decline is almost entirely explained by school-leavers leaving the register

Jobless in EEC reach record 6m.

BRUSSELS, Oct. 25.

UNEMPLOYMENT in the Common Market countries has reached 6m. for the first time, the EEC Commission said today.

According to the latest official figures, more than 6,040,000 people were out of work last month—15.5 per cent, more than at the same time last year and 2.4 per cent, more than in August.

The increase was due partly to unemployed school leavers in France registering as usual after the school holidays, according to the report issued with the statistics.

In France, 10.6 per cent, more people than in August registered as jobless and in Italy 7.7 per cent, more. But unemployment fell compared with last month in four EEC countries—by 8.3 per cent in West Germany, 3.1 per cent in Ireland, and 1.6 per cent in Britain and Holland.

As a percentage of the working population, unemployment was highest in Ireland at 9.2 per cent.

Callaghan hint on mergers

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

LARGE SCALE corporate mergers which fail to bring any real benefits to the companies concerned or to the nation, came in for outspoken criticism from the Prime Minister yesterday.

Mr. Callaghan also gave a clear hint that from now on the Government will be taking a very hard and sceptical look at any proposals for such mergers.

His remarks came when he opened the GEC-Marconi space defence systems works at Broad Oak, Portsmouth. In the case of GEC-Marconi he thought that the merger was justified and had resulted in a stronger company, more able to secure exports and carry out research.

But, he said, he had recently seen the results of a study which showed that a high proportion, perhaps half, of all company mergers bring no particular benefit to the companies concerned or to the country.

"Many mergers seem little more than a game of corporate musical chairs," he said. "On the hard evidence of profitability concerned or to the nation, and productivity, mergers take place where the benefits do not clearly outweigh the disadvantages which have followed."

In a significant passage, he added: "We must be sure that any proposed merger will produce the real benefits and strengths that are claimed for it. A degree of scepticism is in order after our experiences of recent years."

SAFEGUARD A £6,000+ DECISION. SPEND 9p. Coventry Climax logo

There are 101 ways that Climax can solve handling problems, all for the cost of a stamp.

Coventry Climax advertisement with contact information: To: Coventry Climax, Widdington Rd., Coventry. Tel: Coventry (0203) 27711.

Wexford Festival Hérodiade by ELIZABETH FORBES

Masse's *Hérodiade*, as completely overshadowed now by Strauss's *Salome* as Niall's *Die Meistersinger* by Verdi's *Falstaff*, makes a perfect opera for the Wexford Festival, which thrives on a diet of the lesser-known works of first and second-class composers. Irish audiences, too, unlike their puritanical British counterparts, do not disapprove of the more highly perfumed gloss of the late 19th-century French opera; on the contrary, they find much to be enjoyed in their taste. The great success of this production, directed by Julian Hope and designed by Roger Botin, depends largely on its acceptance of the steamy, hazy atmosphere of score and set.

First produced at Brussels in 1881, *Hérodiade* was Masse's fourth opera. His highly individual musical idiom is already fully developed and though at first it is disconcerting to hear Salome and John the Baptist express themselves in the language later used by Manon and Werther, that language is marvellously sustained throughout. *Hérodiade*, whose four acts contain little padding, even the political background, the hatred of the Jews for their Roman oppressors, throws the tangled emotional relationships between the main characters into clearer relief.

In this version, rather remotely derived from a tale by Flaubert, Herodias and Salome are unaware that they are mother and daughter; Herodias sees only a younger rival for the affections of Herod, while Salome, whose whole life has been a search for the mother who abandoned her, kills herself when she discovers the truth. In the final bars of the opera, the other great difference from the more familiar Oscar Wilde version, allows John to return to Salome's love, and to express it in tones of unmistakable passion.

Roger Botin's evocative setting, between form and content to the opera itself, is influenced by two widely disparate artists, Gustave Moreau and, less strongly, Mantegna. It has the additional merit of making the tiny Theatre Royal stage seem positively spacious. Mr. Hope obtains a unified dramatic style from the singers by combining expansive, grandly old-fashioned gestures with a more subtle psychological method of acting. He miraculously brings Jerusalem, suggesting a Roman legion with four men, convoking a Court of Judgment from nine priests, eking out that population with a chorus of children.

The conductor, Henri Galois, inspires the RTE Symphony Orchestra to playing of exceptional quality, with luscious string tone, delicate woodwind



Bernadette Greevy, Alvaro Malta, Eilene Hannan and Malcolm Donnelly

Television

British Drama Lives! by CHRIS DUNKLEY

Discovering people who disagree with your ideas about television is of course a commonplace. Ask a friend on the train whether he watched the first of Thames's new series *Time for Business* and before you can add "Pretty much like the other business programmes really wasn't it?" he forestalls you with wildly enthusiastic praise of—say—the section on franchising, pointing out how highly original it was.

Full time critics are as much accustomed to this as is any other viewer. Probably more so, actually, because casual acquaintances are as keen to measure their opinions against the critics as they are to try out their left jabs against Henry Cooper.

It is, however, confusing for one critic to find another summarising not his opinions but his description of an area of television as large as drama in terms that are diametrically opposed to his own. That is what happened when John V. Stevenson wrote in last week's *Listener*: "The plethora of television drama analysing Britain's past only reflects the dearth of its doing the same for its present."

It seems to me, on the contrary, that after a number of years during which costume drama, period adaptations, and inconsequential contemporary fancies have been heavily predominant, British television drama has made a most welcome return this autumn season to plays about our own time and our own lives.

It is true that there are still—as indeed there should be—costume productions such as *The Norman Conquests*, which has just started on BBC2 and promises to be one of those delicately flavoured servings of English idiosyncrasy, and London Weekend's adaptation of the Stoppard play which opened BBC2's new "Play of the Week" series, *Professional Foul*, was certainly set in to-day's world it was apparently more about Czechoslovakia than Britain.

But if analysis of present day Britain is what you want, what about the series *The Norman Conquests*, brought to television with such enormous success by Verity Lambert, David Suskind, and Herbert Wise? What about Yorkshire Television's series of plays by Stan Barstow, The Cost of

effective entertainment. However, there were some internal tensions and inconsistencies.

What seems to have happened (perhaps) is this: Poliakoff set out to write a play primarily about ideas, and succeeded in writing a play primarily about two people, and Apter then took it and made it into a film about things. He has an almost faultless touch with things: plastic boiler suits, industrial landscapes, motorbikes, seiger counters, any great banks of machinery.

This is not to suggest that the play failed; only that it was not entirely cohesive. No play could be a failure that had in it the performance which this one had from Francesca Annis, playing the girl who steals the plutonium (her hiding place a visual pun on "fast breeder") only to discover, in a crescendo of panic which Miss Annis embodied with frighteningly empathetic effect, that no one will accept it from her despite its shocking publicity value.

Comment has arisen over the fact that Brian Gibson, who was originally booked to direct, stepped down when President Carter's new nuclear policy was announced during the run-up to shooting. But to me it is the fact that Gibson accepted the job in the first place which seems most interesting; he made the award-winning programmes *Joan and Billou Dollar*, *Bubble*, and worked for years on *Horizon*. In other words all his previous work has been concerned with documentary.



Tom Conti in 'The Norman Conquests' (Thames)

The Entertainment Guide is on Page 17

strike, one of the most significant events of the decade for Britain but one that has barely been aired on television outside a handful of academic programmes.

And Brian Clark's story, *There's No Place*, about a very young couple creating their own home in a derelict office may not have packed the potential punch of *Golden Come Home*, but it did have very sad comments to make about Britain's present in its own oblique and poignant way. Most telling of the series, *A Little Daring* by Alan Bennett (one of the few in which it seemed relatively easy for the viewer to identify and appreciate the contribution made by the new director, the time cameraman Brian Tufant) contained inevitably chilling observations about our attitude in Britain towards growing old.

But most obvious of all, *For The Love Of Albert*, which ended last week used drama as a way round some of the difficulties which confront current affairs discussion programmes. Experience proves, for instance, that any representative of a target group—the hip banker, bureaucrat or bank manager—about getting in debt to the jollyman and so on—bought such faults straight out in the open and should have acted as a way of bypassing the usual preliminary discussion. Unfortunately this occurred only occasionally. Yet it is a vein which could and should be mined deeper.

However the drama that has most to say about this country today may well be *Wilfred Greaves's* BBC2 series which, ironically, is set in the Britain of 13 years hence: 1990. It depicts a rampant bureaucracy running fortress Britain as a cross between the Third Reich and contemporary Czechoslovakia. Every extreme phenomenon from the use of "G Notices" against the Press to mass electronic surveillance, from ID numbers in the state's hospitals, represents merely an extension of central and local government powers which already exist.

No current affairs broadcaster who pointed as this series does in the frightening inferences to be drawn from the activities of recent and present British governments would get away with it for a moment; his programmes would never reach the screen.

Lonze live drama.

Covent Garden

Triple Bill

After an evening at the Opera man and Wayne Eagling. Casique which contained various both symphonic and enigmatic. It is proper that these albums should offer congratulations to ballet's first O.M., and to the variations; Sir rededick Ashton. It needs no more than to add that the hour comes happily and justly a great man whom we love to respect. And to do Sir rededick more honour, both of his ballets were finely done.

Enigma, with Sir Adrian Boult arming the score to life with the gentlest yet firmest control, seemed in an odd way to unfurl on the almost dream-like first scene between Elgar and his life, and to come to full national flower as the work "expressed". Derek Rencher was ever, Elgar to the life; Monica ason a potent presence as A.E. I liked very much Ross acthobon's youthfulness as P.A. in the duet with Ysobel, high gained in tenderness, and found Ann Jenner's fiery, lvers dancing as Dorabella very vely to the succeeding *Symphonic variations* Miss Jenner was (ined by Merle Park (in the "nirale" role) and Marguerite order (who had earlier been an ueping Ysobel), and by Anthony Dowell, Michael Cole-

Festival Hall

The Voyevode

by RONALD CRICHTON

Ricardo Muti, admirably persists in salting his Festival Hall programmes with music that deserves to be better known. Last night the Philharmonia concert included, as well as Schumann's still infrequently heard *Second Symphony*, Chaikovsky's *Voyevode*—not the early opera, but the late "symphonic ballad" with the same name but a different subject. Chaikovsky took the subject from a poem by Mickiewicz about a Polish lord who hurries back from the wars to test his young wife's fidelity, finds a young lover at her feet, orders his servant to shoot her, but is shot himself.

Chaikovsky used the same basic ABA form that had served him for earlier works of the same kind, but the atmosphere is different, full of strange nocturnal rustlings in the music for the voyevode's ride home, melodious *Romeo and Juliet* or Francesca for the love music but more despairing. The bitter climax comes at the end of a fragmentary, almost fragmented, recapitulation of the night-ride. There are jagged recitative-like phrases and touches of cold relexia. In this remarkable performance it through a gripping score, evily, the style suited the ruminalive slow movement—an an Schumann's lovable, elusive *Second Symphony* must have point.

made many converts through the eloquent reading it received at the end of the programme. Schumann's scoring is fated to sound thick after Chaikovsky (even a Chalkovsky exploring a barsher palette than usual), but Mr. Muti refused to sweeten the pill, kept the rhythm buoyant so that one forgot fatness and the obsessive ties, while the imaginative qualities of the music were given their freedom. The Adagio was deeply tender but was not allowed to appear to be the overwhelmingly valid reason for playing the symphony. Even the tricky finale made Schumann's points without the usual labour.

No doubt the nearly full house was due less to rare Schumann and rarer Chaikovsky than to the presence of Paul Tortelier to play Dvorak's Cello Concerto. He and his accompanists were wildly acclaimed, but in truth the general feeling of the performance was choppy and unsettled, even in the orchestral ritornello at the beginning, Tortelier's tone rang out at im-pressive strength, but there were some uncomfortable notes in the first movement and the elegiac feeling in which the concerto is so rich peeped shyly through the clouds. Surprisingly, the style suited the ruminalive slow movement—an an Schumann's lovable, elusive *Second Symphony* must have point.

Elizabeth Hall

Saints and Sinners

The London Lassus Ensemble ad the bright idea in this concert of juxtaposing some of their ponymous composer's sacred and secular works by devising a celebration for All Saints Day: the Mass of the feast day, followed by music to accompany the evening's banquet.

I missed a church in part one at less than I longed for a banquet in part two: the Elizabeth Hall may not be ideal for pseudo-liturgy, but it is a downright depressing venue for pseudo-feast. The Mass was a beautiful items sang the praises of wine (including the great light-part "Vinum bonum," which made a splendid conclusion), but in spite of the liveliness of the solo singers it was difficult to feel any element of celebration by the time the evening's joke piece—a drunken disposition of the text "Super lumina Babylonis"—arrived.

In the liturgical half of the programme it was the per-

Assorted Pops

by ANTONY THORNCROFT

Popular music has a broad enough back to carry, in two nights, London concerts by such mixed talents as Leo Sayer, Donna Summer and Yes, artists that have nothing in common but a record which has sold millions of records. They certainly cover the whole man between them: Leo Sayer's infectious tunes homing in on the feet, Yes operating on the (ideally defuddled) mind and Donna Summer concentrating on somewhere in between.

In her uncomplicated way Donna Summer was the most interesting. She has aigbed through the thugh on any number of disco hits, but the grunts and the groans were kept very much under control at the Rainbow where she was obviously trying to widen her appeal to keep her busy in her old age. There was the ritual attack on the microphone stand but I don't think she meant it and most of her act was respectable enough for Top of the Pops. There was even a melody of his from earlier black artists of the Billie Holiday class.

The glamorous hits, the constant changing of costumes on stage, were irritating. What Donna Summer has which sets her apart is an extraordinary, if unrestrained, vocal range and staggering looks, at least from the back of the stalls. The just about to draw with an indifferent backing group, a cool presentation, and a mounting frustration among the audience.

There was little frustration for

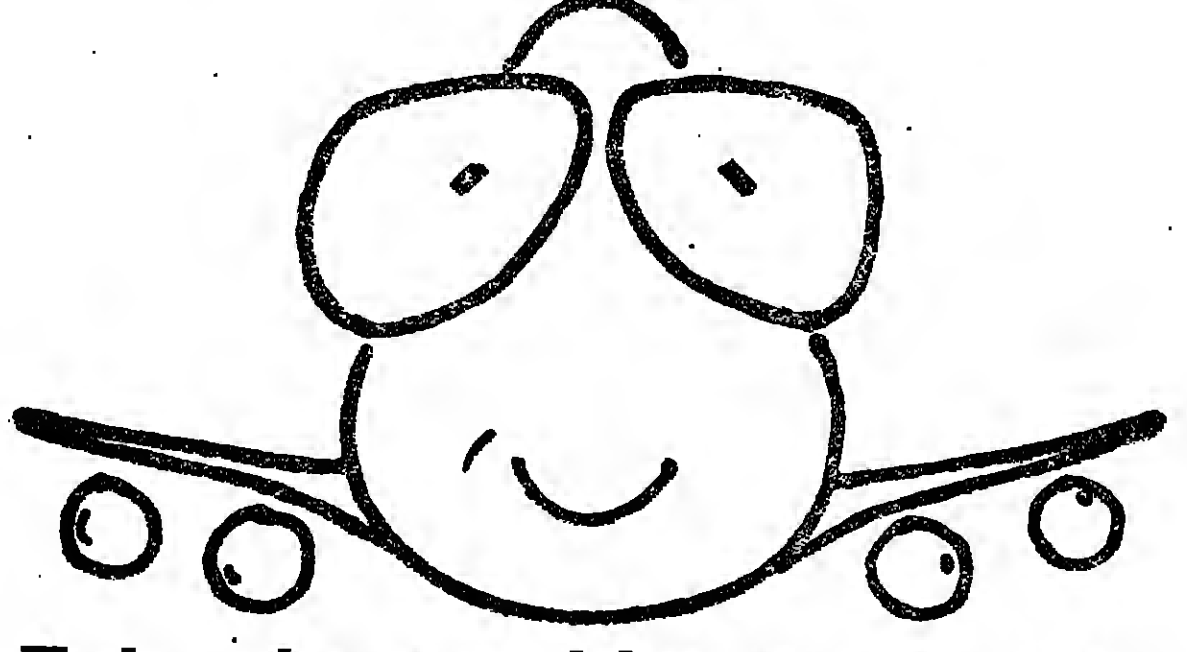
Yes at Wembley. The enthusiasm of the crowd, the pretention of the music, and the undoubted musical skill of the band makes you feel that there must be some-thing badly wrong with you if you are not carried at least as far away as Middle Earth by all those soaring guitar chords, thumping drums, and frenetic Rick Wakeman keyboard trills. For snatches it seems to work, and Yes is nicely more physical than in the past, but I still feel that there is a slight case of Emperor's New Clothes about it all.

In contrast Leo Sayer is completely unaffected; indeed his lack of verbal control can be embarrassing. But his songs are first rate contemporary pop and they last, at least for a couple of years. In his way as much an oddball as Elton John, he seems to have acquired as much talent, and should not be ashamed of upsetting the intellectuals to please the masses.

Leonard Rossiter at the Mermaid

From November 21, Leonard Rossiter will present at the Mermaid Theatre the painter Benjamin Robert Hayden in a one-man show entitled *The Immortal Hayden*. It is written by John Wells, devised by Julius about a tough and based on Hayden's private diary. The play is directed by Alan Strachan, designed by Bernard Culshaw with lighting by Nick Shelton.

The SAA 747 Flying Hotel



Enjoy the sunshine treatment on the fastest flights to South Africa

Every evening, an SAA jumbo soars away from Heathrow and heads south to the sunshine. On Mondays, it's our non-stop to Johannesburg. Saturdays, we run an additional evening flight—non-stop to Cape Town. They are the fastest flights on the routes.

On board, you can relax with our sunshine treatment that has earned for our aircraft the title of Flying Hotel.

You can feel the sunshine treatment in the warm and friendly attention of the cabin staff intent upon making you feel at home.

It shows in the impressive menu and memorable wine list that give you a very real taste of the sunshine country.

The sunshine country is big, mammy. So are our comfortable seats. These are fewer in number to give you even more room. Tell us if you prefer smoking or no-smoking areas.

And while you're sitting comfortably, you can listen to music or watch a film (LATA regulations require a small charge in economy class).

The sunshine treatment is SAA's special contribution to travel.

And you'll find it on all eight of our flights from Heathrow. The fastest. The non-stops.

You'll also enjoy it on our domestic routes to 11 destinations in South Africa, and on our connections to the Americas, Far East and Australasia.

And don't forget, we can fly you on first class on certain domestic routes.

Your IATA travel agent has all the details, or call us direct: South African Airways, 251/8 Regent Street, London W1R 7AD. Phone 01-734 8841. Waterloo Street, Birmingham, 021-643 8605. Hape Street, Glasgow 041-221 2832. Peter Street, Manchester, 061-834 4436



The Sun Set

A marvellous choice of travel: our Blue Diamond First Class, or Gold Medallion Economy Class.

Comfort all the way
SAA
South African Airways
Where no-one's a stranger

24 HOURS COMMUNICATIONS PLUS . . .

"We always have personnel overseas and are concerned about illness, accidents, missed flights, delays occurring when the home office is closed—at night, during weekends or national holidays.

Is there an experienced British group capable of coping with any such emergency?"

"Yes. It provides the 24-hour contact for a very reasonable annual fee and in the event of illness or accidents, sends its own road ambulance fleet all over Europe and beyond, and medical aircraft, doctors and nurses worldwide to retrieve the sick and injured. Can also offer an insurance policy to cover such repatriations up to £20,000 worldwide."

It is TRANS-CARE INTERNATIONAL,
GROUP HOUSE, WOODLANDS AVENUE, LONDON W3.
TEL: 01-492 5077 TELEX: 734525

EUROPEAN NEWS

Leaders of Spanish parties sign social contract

BY ROBERT GRAHAM MADRID, Oct. 25.

GOVERNMENT AND opposition leaders today signed the social contract, agreed over the weekend, which imposes a 20 per cent ceiling on wage increases for 1978. After a brief ceremony, the Prime Minister, Sr. Adolfo Suarez, said that he regarded the agreement as an essential element in moves to consolidate democracy in Spain. The agreement, which took two weeks to elaborate, underlines the desire of both the Communist and Socialist opposition parties to co-operate with the centrist Government of Sr. Suarez to tackle the many problems confronting the economy. Yesterday, representatives of trades unions and employers were briefed by senior Government officials on the details of the pact. The employers have so far given the pact a cool reception. This is because they felt excluded by not being consulted during the negotiations, and more fundamentally because they felt that the concession to the government by opposition parties over wage restraint involved a tougher attitude towards management and to certain questionable management practices. The trades unions have not adopted a unified response. The most clear-cut endorsement has come from the Communist-controlled Confederation of Workers' Commissions. The Socialist-

Sweden reduces income tax

By William Dullforce STOCKHOLM, Oct. 25

THE GOVERNMENT today announced income tax cuts for almost all Swedish wage and salary earners in 1978. The cuts are intended to smooth the way for next year's wage negotiations and to persuade the unions to accept only moderate increases. At the same time, the Economy Minister, Mr. Gösta Bohman, declared that there was no scope for any increase in private consumption next year. Many Swedes would experience a drop in living standards. Priority had to go to preventing any further deterioration in the payments deficit. The deficit for 1977 is now expected to reach Kr.16.5bn. (£1.94bn.), as Swedish exports have continued to lose market shares. Mr. Bohman said it would not be possible to restore the trade balance by 1980, a target set by the previous Social Democrat Government. The 1978 income tax rates submitted to Parliament today by the Budget Minister, Mr. Ingemar Mandelb, provide for reductions varying from Kr.1,200 to Kr.2,500 (£140-£305) on incomes in the Kr.50,000-Kr.200,000 (£5,900-£23,500) bracket. They vary from just under 2 per cent for the top incomes to 1.2 per cent for incomes between Kr.35,000 and Kr.65,000. The cuts will cost the Treasury Kr.3.3bn. next year.

International accord against terrorism urged by Scheel

BY JONATHAN CARR

WEST GERMAN President Walter Scheel today called on world leaders speedily to conclude an international convention to help erase the scourge of terrorism. Unless such action was taken, Herr Scheel warned, terrorism would spread across all frontiers. The world community had too long sought excuses for the inexcusable. He was speaking at a service in Stuttgart's St. Eberhard church in memory of the industrialist, Dr. Hanns-Martin Schleyer, murdered last week by terrorists. Present were the major political leaders, including Chancellor Helmut Schmidt, and key representatives of industry, banking and the trade unions. Simultaneously, workers throughout the country observed a three-minute pause in Dr. Schleyer's memory. Such action had been called for by trade unions and by the federal employers' organisation which Dr. Schleyer had headed. In Stuttgart itself a public controversy has erupted because the three terrorists who committed suicide in the local Stammheim jail are to be buried in a city cemetery. The decision on the burial was taken by the city's Lord Mayor, Dr. Manfred Rommel. He has maintained it, despite fierce protests, not least within his own Christian Democrat party. At the same time, the position of the Premier of Baden-Wuerttemberg, Herr Hans Fellinger, remains in question, following the suicides. Remer adds: Jailed urban guerrilla Ingard Moeller has decided trying to commit suicide at Stammheim, her lawyer said today. She said her client also denied there was any suicide pact between the three guerrilla leaders found dead in the same prison last week.

New Europe troop cut proposal

BRITAIN and West Germany have agreed on a U.S. proposal to put the Soviet Union in an attempt to revive negotiations on troop reduction in central Europe, the New York Times reported yesterday. However, official sources in Washington suggested that, while the proposal was made in the hope of advancing the East-West talks, it did not represent a major departure in Western policy. The newspaper quoted U.S. officials as saying that the proposal calls for the U.S. to withdraw 1,000 nuclear warheads and 29,000 troops from Europe in exchange for a Soviet reduction of between 65,000 and 70,000 troops—five army divisions—and up to 1,700 tanks. The report said that following these cuts, the forces of the allies of the two superpowers would be placed under equal manpower ceilings. According to the report, the proposal was prepared last month by the U.S., Britain and West Germany and presented to NATO members last week. The paper said that the proposal did not sacrifice the basic Western objective of requiring the Warsaw Pact to withdraw more troops so that equal numbers of Western and Eastern forces remained. Neither the White House nor the U.S. State Department had any immediate comment on the report. Talks on mutual and balanced force reduction (MBFR) in central Europe started in Vienna in 1973 and have been stalled almost from the start. Agencies

NATO and the neutron bomb

By David Buchan, in Brussels

OVER THE PAST decade the U.S. had made a number of technical improvements to the stockpile of just under 7,000 tactical nuclear weapons deployed in Europe. The changes have usually received perfunctory approval in NATO's Nuclear Planning Group. An innovation of the significance of the neutron bomb might have gone through "on the spot," had not the Press in the U.S. and in Europe taken up the issue. Opinions are sharply divided on whether this is good or bad. But most Nato officials and delegations now concede that President Carter's decision on whether to manufacture the bomb for deployment in Europe could go either way. Some think that a decision delayed well into next year would allow passions aroused by talk of the neutron bomb as "amoral" and the "ultimate capitalist weapon," because it kills people and tends to spare buildings, to subside. Others think this unlikely, even though Nato is now pushing its own enthusiasm for the weapon — "the enhanced radiation and reduced blast bomb." What clearly emerged from the otherwise inconclusive NPG meeting in Bari earlier this month was that both the U.S. and the European members of Nato want the other to take the lead, and that if neither side takes it, there will probably be no neutron bomb. The U.S. argues, reasonably, that producing the bomb makes no sense without deploying it; the only place it would be put is in Europe, and therefore European approval is essential. The Europeans argue, equally reasonably, that the final decision is an American one. Tass, the official Soviet news agency, claimed that at Bari, U.S. and Nato officials "were exerting strong pressure on the Atlantic countries to compel them to accept the deployment of such a monstrous weapon." The grain of truth in this is that Mr. Harold Brown, the U.S. Defence Secretary, did indeed give his colleagues a detailed, technical run-down on the neutron bomb—the military case for which almost all of the six European defence ministers present at Bari accepted. This is basically that the neutron bomb has more radiation, but only one tenth of the heat, blast and fall-out in a standard fission bomb. In particular, heat and blast effects are limited to an area three or four hundred yards in diameter, while the circle of fatal radiation to men is less than one mile in diameter. Damage can also be limited by varying the height at which the neutron bomb is exploded. All of this, Mr. Brown claimed, makes the neutron bomb significantly "cleaner" and more selective than existing nuclear weapons: it can pinpoint enemy forces without harming friendly forces or civilians. But publicity has really taken the matter out of the hands of defence ministers and into those of foreign and prime ministers. Mr. Brown said that the U.S. was not looking for unanimity in the alliance on the issue, nor necessarily approval by a large majority, but that most weight would be given to the views of those countries "in whose territory the weapon would be deployed" or those whose forces use the weapon, as in the case of the British army on the Rhine. This effectively rules out from the equation the Netherlands, which although voting objections to the neutron bomb has no intention of "hanging its nelly of availing any nuclear role, and puts the onus on West Germany," most obviously Britain, Italy, Greece, Turkey and to a lesser extent Belgium. Turkey is willing to have the neutron bomb deployed on its territory. Greece, still a member of the NPG despite its official withdrawal from NATO's military structure, has said the same partly in its thought, in keeping in with the Turks. Italy has not really expressed a view and is not considered likely to want to do so; but it might follow the lead of Germany and Britain. There is no sign yet that the Russians are developing a neutron bomb themselves, though they have some forms of nuclear artillery. To do so, so the alliance on the issue, nor necessarily approval by a large majority, but that most weight would be given to the views of those countries "in whose territory the weapon would be deployed" or those whose forces use the weapon, as in the case of the British army on the Rhine. The U.S. is wisely on longer pressing for a quick decision. There is no long lead time of research and development needed for the neutron. Its technology exists already, and even if a decision to go ahead with production were made next spring, it could still be deployed in Europe before 1980.

Mystery aircraft at Mogadishu

MOGADISHU, Oct. 25.

A BOEING 707 has landed at Mogadishu Airport on each of the last three days, diplomatic sources said here today. One European airline executive, who has seen the aircraft land, said the tail was painted yellow but beneath the paint could be seen the emblem of the West German charter airline Coedor, which is operated by Lufthansa. He said he saw Somali soldiers unloading green chests from the aircraft this morning, adding that they were the kind used for packing light arms and ammunition. The chests were loaded into Somali army lorries and driven away, he said. Reuters

LESS SEATS AND MORE ROOM THAN ANY OTHER DC-10



AND THERE'S ALWAYS SOMEONE THERE WHEN YOU NEED THEM

What we have here are several beautiful reasons to fly MAS to Kuwait and Kuala Lumpur with connections to Melbourne and Sydney on our unique DC-10s. Why unique? To start with, the big MAS DC-10 has less seats than other DC-10s. Just 252. (The others have around 270). So there's more room. Secondly, our DC-10s have more cabin crew than many of the others. And with less passengers to look after, you'll find there's always someone there when you need them on MAS. Add to that the famous MAS standard of Golden Service, some beautiful features you won't find on other DC-10s, and you're talking about something very special in the way of air travel.

Malaysia Stopover We also have a very special offer if you're going as far as Australia on the big new MAS DC-10. For just £4 per night you can stop over in Malaysia on your way—and the price includes just about everything. First class hotels, most meals, transfers, sightseeing, special shopping discounts and more. An MAS exclusive for Australia bound passengers only on the new DC-10. For a little extra you can even spend a few days in Penang or Singapore. Your Travel Agent has the details.

THE UNIQUE NEW MAS DC-10-30 Fly with A Touch of Gold mas malaysian airline system

London • Frankfurt • Kuwait • Kuala Lumpur • Melbourne • Sydney

*With connections at Kuala Lumpur Subject to Government approval

HEAD OFFICE: 25-27 St. George Street, Hanover Square, London W1 Reservations: 01-629 5891/4

The COMMISSION OF THE EUROPEAN COMMUNITIES announces the appearance of Results of the business survey carried out among managements in the Community. A new monthly pamphlet entitled "Results of the business surveys carried out among heads of enterprises in the Community" is being published by the Commission of the European Communities as from June 1976. This pamphlet, which replaces the four-monthly production "Report of the results of the business surveys carried out among heads of enterprises in the Community," gives complete and detailed results of the harmonised surveys of economic activity carried out among the industries in the Member States, with the exception of Denmark, which does not as yet take part. The surveys are carried out using questionnaires, which are sent every month to more than 20,000 heads of undertakings deemed representative of all industrial activity in the Community, divided into 22 sections and subsections. The questionnaire deals with the situation regarding order books and stocks of finished products, production, and price prospects, the period of activity, guaranteed by work in hand, production capacity and employment prospects. The new pamphlet gives detailed results for the last three months of the survey in the form of tables, whilst movements during the last two years are traced by graphs. For reasons of statistical secrecy, only the large aggregates will be published for the moment for the Netherlands. Twice a year it also includes the results of the medium-term surveys of investment in industry. Price per issue: No. 8849, Mult. dk/4/e/1/1/n. FB 300.— DKr 46.— DM 19 50 FF 36.— Lit 6.000.— Fl 20.70 £ 4.30 \$ 7.35. Subscription for eleven issues: FB 2.500.— DKr 385.— DM 163.— FF 300.— Lit 50.000.— Fl 172 50 £ 35 70 \$ 61.— This publication is also available on magnetic tapes, updated each month (since 1965): FB 10,000.— OFFICE FOR OFFICIAL PUBLICATIONS OF THE EUROPEAN COMMUNITIES, Boite postale 1003, Luxembourg.

Handwritten signature in Arabic script.

EUROPEAN NEWS

Oil crisis measures agreed by EEC energy ministers

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT LUXEMBOURG, Oct. 25.

EEC ENERGY Ministers agreed today on the final elements of a two-stage Community scheme for reducing oil consumption and re-allocating available petroleum in the event of a new supply crisis. The agreement was obtained after Italy reluctantly accepted a compromise proposal designed to satisfy Britain's insistence that only oil for power generation should, in the first instance, be eligible for reallocation and not oil for all industrial uses, as the Italian Government had wanted. But in a concession to Italy, the Ministers also agreed that the European Commission should be instructed to draw up studies on the crisis progressed to determine whether any additional types of oil were available for re-allocation inside the Community. A decision was also taken to set up a system to monitor regularly imports of coal from outside the Community. This is a step that has long been sought by Britain and Germany but which has been opposed hitherto by countries like France, which

Iceland gets back to work again

By Jon H. Magnusson

REYKJAVIK, Oct. 25. A TWO-WEEK long strike by civil servants ended in Iceland this morning after very tough negotiations between the Government and the strike leaders. No details of the settlement have been revealed. Municipal employees, who joined the strike initially, negotiated a separate wage settlement a week ago. It was the first time that civil servants have gone on strike in Iceland and the stoppage paralysed the island's economy. There has been no radio or television, most schools have been closed, international flights have been cancelled and the police have been working to rule. The outcome of the dispute is expected to affect seriously Iceland's runaway inflation, now running at well above 30 per cent. The right of centre Government has survived the strike but parliamentary elections are due next May. The settlement must be ratified by the rank and file of all the civil servants unless in a general ballot this week. In the meantime work has already resumed in all Government offices and institutions. The expectation is, therefore, that the settlement will be accepted even if it falls far short of original demands.

Left suspicious of Soviet amity for France

BY ROBERT MAUTHNER

THE RED carpet treatment given by the Soviet Government to M. Yvon Bourges, the French Defence Minister, who returned last night from an official visit to the USSR, has revived speculation in France that Moscow does not want the Left to win the French general election next spring. While there was nothing exceptional about M. Barre being received by the Soviet leader, the fact that another French Minister followed so closely in his footsteps has aroused widespread comment here, particularly since Mr. Brezhnev himself was in France for an official visit as recently as June.

L'Humanite has interpreted these frequent comings and goings as an attempt by the French Government to persuade the electorate that it is pursuing an independent foreign and defence policy, but the newsmanoeuvres could hardly be successful unless they had the blessing of the Soviet Government. The least that can be said is that Moscow is going out of its way to underline the Soviet desire for particularly close, not in any privileged, relations with the present French Government.

It can hardly have escaped the Kremlin's notice that to make such friendly overtures in a pre-electoral period serves the interests of the incumbent government rather than the Socialist and Communist opposition which, albeit divided, is trying to unseat it. The theory that the Soviet Union put pressure on the French Communist Party to provoke the split last month with its Socialist partner has been widely aired in the French Press, but no real proof has been provided for such superstitions.

PARIS, Oct. 25.

WHO study says most drugs are 'inessential'

By David Egli

GENEVA, Oct. 25. FEWER THAN 300 medical drugs are considered to be essential out of the many thousand that are available in most industrialised countries, according to an expert committee of the World Health Organisation. The basic list although still unpublished is known to include several recently marketed drugs as well as a selection of the seven most common anti-cancer drugs, diagnostic agents and serum derivatives. Without these additions the number of essential drugs could have been as low as 150. They say that there has not been a proportionate improvement in health to match the vast increase in pharmaceutical products in recent years and that even governments of affluent nations are becoming increasingly worried about rising expenditures on such products. The committee's report, to be discussed next year by the WHO executive board, is strongly attacked by the pharmaceutical manufacturers. The International Federation of Pharmaceutical Manufacturers claims the drawing up of such a list is "ill-advised and counterproductive," possibly leading to a lowering of health standards. It argues that from an economic point of view, the net gain of a limitation of medicines could be offset in terms of total health care costs.

New uranium enrichment technologies unveiled

BY DAVID FISHLICK, SCIENCE EDITOR

WEST GERMAN and Dutch nuclear industry executives revealed their latest ideas for uranium enrichment by the gas centrifuge process to potential customers at the inauguration of Ureco's 25M enrichment plant at Almelo, the Netherlands, yesterday. Prototypes of two new advanced technologies for enrichment—the refining process needed to turn uranium into nuclear fuel for most types of reactor—were displayed by Ureco, the Anglo-German-Dutch enrichment group. Ureco expects to choose between the first tripartite technologies developed by the enterprise—for the next phase of investment by the group. Dr. Günther Wirtheis, Ureco's chairman, opening the Almelo enrichment plant, said the group was "technically prepared and ready, without any further development work whatsoever," to install several thousand tonnes of enrichment capacity, to come on-stream within four-to-five years. Dr. Wirtheis assured electrical utility chiefs that Ureco could meet their needs "in a timely fashion and, at the same time, avoid having to make too large a financial commitment at an early stage, with the unavoidable consequence of large, expensive and unnecessary stock holdings." But Ureco officials also stressed that a start on the next phase of investment in enrichment capacity at Almelo, and at design of gas centrifuge, of basic Capenburst in Britain, was already overdue if the company was to meet its existing commitments in Germany.

Farm price plan backed

BY DAVID BUCHAN LUXEMBOURG, Oct. 25.

THE EEC Commission has drawn the Commission's payment objection to a European Parliament proposal to include a 1.3bn. European units of account (EPU) special reserve in the 1978 EEC budget in cover next year's farm price increases, bringing the total budget to 13.9bn. Mr. Christopher Tugendhat, the EEC Budget Commissioner, said today. While admitting that the sum was larger than the Brussels Commission had ever contemplated putting in a reserve, he acknowledged that it would avoid the difficulty of raising the rate of VAT half way through next year. From January 1, direct contributions from member states are to be replaced by a proportion of VAT nationally raised. Agricultural spending has dominated this week's three-day first reading by the Parliament of the 1978 budget. Although many of the 300 odd amendments being debated by MPs call for the restoration of cuts made in the non-farm projects by the Council of Ministers in July. At that time the Council ent

Dutch coalition plan in jeopardy

BY MICHAEL VAN OS

WITHIN A few hours of three Dutch political parties reaching an agreement on the formation of a new coalition Government, after negotiations had spluttered on for five months—the compromise was severely jeopardised by the ruling council of the Labour Party voting to reject it. The party council defied pleas from Mr. Joop den Uyl, Prime Minister of the outgoing caretaker administration and of the Cabinet which the compromise created, and from the parliamentary Labour Party which he leads. It voted against the arrangement by 53 to 35. It seemed that the council was prepared to accept that the Labour Party should have the same number of Cabinet seats

Hungary's new economic policy

By Paul Lendvai

VIENNA, Oct. 25. THE HUNGARIAN Communist Party leadership has just adopted new long-term economic policy guidelines which advocate an accelerated adjustment of the economy to the world markets on the basis of a more realistic price and wage structure. A resolution passed by the party Central Committee, also indicates that, while retaining central planning, enterprises will be given more autonomy in regard to output, sales and marketing. Thus, after two years of debate, Hungary's leaders have clearly opted to continue reformist policies.

WHO study says most drugs are 'inessential'

By David Egli

GENEVA, Oct. 25. FEWER THAN 300 medical drugs are considered to be essential out of the many thousand that are available in most industrialised countries, according to an expert committee of the World Health Organisation. The basic list although still unpublished is known to include several recently marketed drugs as well as a selection of the seven most common anti-cancer drugs, diagnostic agents and serum derivatives. Without these additions the number of essential drugs could have been as low as 150. They say that there has not been a proportionate improvement in health to match the vast increase in pharmaceutical products in recent years and that even governments of affluent nations are becoming increasingly worried about rising expenditures on such products. The committee's report, to be discussed next year by the WHO executive board, is strongly attacked by the pharmaceutical manufacturers. The International Federation of Pharmaceutical Manufacturers claims the drawing up of such a list is "ill-advised and counterproductive," possibly leading to a lowering of health standards. It argues that from an economic point of view, the net gain of a limitation of medicines could be offset in terms of total health care costs.

THE LAST CAR YOU'LL EVER WANT TO DRIVE.

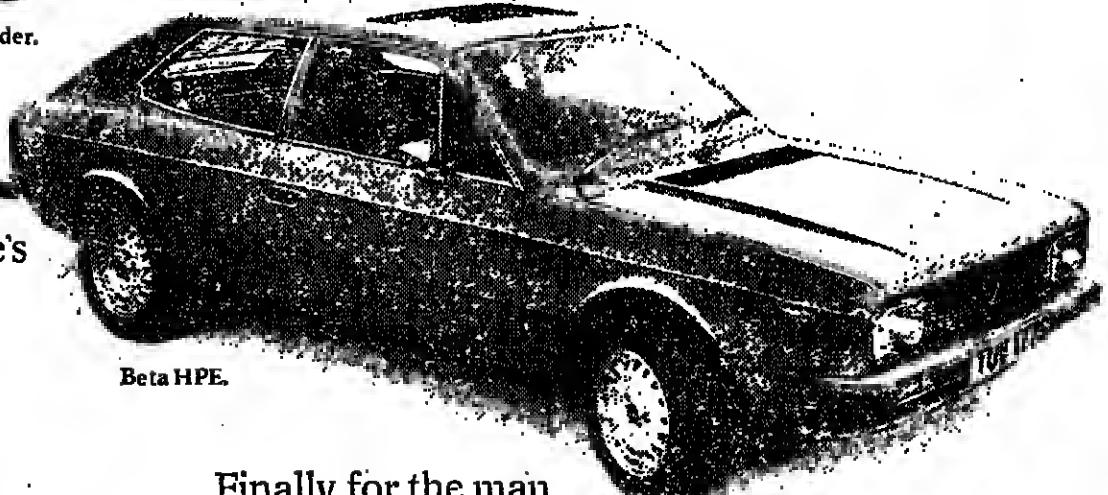
Start with a Lancia and you can stick with the Most Italian Car of all for the rest of your life. To cut your teeth on, there's the Beta Spyder - with its detachable Targa top, fold-



Beta Spyder.

gearbox, all-round independent suspension, servo-assisted all-round disc braking, fitted carpets and an 18 cu.ft. boot. Lots of comfort. Lots of room. Lots of excitement.

Or, if you prefer an estate car, go for the Lancia Beta HPE (High Performance Estate). It has three doors and up to 42 cubic feet of load space. Plus, in the 2000cc model, 115mph performance, built-in sun roof as well as all the trimmings. There's also a 1600cc model.



Beta HPE.

back rear window, 5-speed gearbox and all. It'll make you lots of lovely friends (there's even room for two in the back), whether you have the 1600 or 2000cc version.



Beta Coupé.

Finally, for the man who wants sheer excitement first and last, there's the Beta Monte-Carlo.

Very fast, very beautiful mid-engined sports car based on the formula that has won Lancia the World Rally Championship four times in the last five years. 2 seats. 2 litres. Hard or soft top.



Beta Monte-Carlo.

After the first flush, what could be better than the Beta Coupé? It's just as Italian, just as dashing, just as quick. Also with 2 seats in the back for a couple of kids, if you insist. A choice of 1300cc, 1600cc or 2000cc engines.



Beta Saloon.

When the family gets bigger, don't despair. Just graduate to a Beta saloon. With a 1300, 1600 or 2000cc twin overhead camshaft engine, 5-speed

If you have not yet found the sort of car you could drive for the rest of your life, go and see your nearest Lancia dealer.

Take a test drive. Then talk prices. They'll probably come as a surprise to you. They start at £3,175.38* and end at £5,927.22*

But be warned. Once you've tried one Lancia, you'll never want to drive anything else.



The most Italian car.

Lancia (England) Ltd, Alperton, Middlesex. Tel: 01-998 5555 (24-hour enquiry service).

MOULINEX PRE-TAX TURNOVER FOR THE FIRST NINE MONTHS OF 1977. Total consolidated sales for the first nine months of 1977 amounted to Frs. 1,137.1 million as against Frs. 1,011.5 million for the first nine months of 1976, an increase of 12.4%. Sales abroad amounted to Frs. 690.2 million, an increase of 23.63%. Moreover, the non-consolidated turnover amounted to Frs. 1,024.2 million. ALLOTMENT OF BONUS SHARES TO SHAREHOLDERS. The allotment announced to the Annual General Meeting of May 1977, on the basis of one bonus share for every ten old shares held—bearing effect as from January 1, 1977—has been postponed to January 1978 due to governmental recommendations. A communiqué will be published subsequently to announce the beginning of the distribution in the banks.

*Prices include VAT (5% car tax, licence fees, etc.). Delivery charges (UK mainland) but exclude number plates. Prices from Beta Saloons - £3,175.38 Beta Coupés - £3,645.36 Beta Spyders - £4,125.29 Beta HPEs - £4,265.30 Beta Monte-Carlo coupés - £5,927.22. Personal Export: if you are eligible to purchase a Lancia free of taxes, contact our Export Department.

AMERICAN NEWS

President backs more air fares competition

BY OUR OWN CORRESPONDENT WASHINGTON, Oct. 25.

THE CARTER Administration terms with scheduled airlines, as decided to press for much more competition in the international aviation agreements...

President Carter has sent a letter to the government departments involved in aviation negotiations — State, Justice, Transportation, and the Civil Aeronautics Board — ordering them to take greater account of the needs of consumers...

This new policy is reported to be causing some distress to the countries now engaged in civil aviation talks with the U.S. For example, the Bermuda agreement would serve as a model for its pending agreement...

However, the new U.S. stance that competition in the air business should be increased, rather than controlled, with lower fares the desired end product...

In particular, the U.S. now feels that future agreements should incorporate more liberal attitudes towards charter carriers, so as to enable them to compete on more equal terms.

Dock strike settlement hopes fade

By Stewart Fleming NEW YORK, Oct. 25.

THE PROSPECTS of an early settlement in the selective strike against container ships on the east coast of the U.S. have receded again with a breakdown in negotiations between the longshoremen's union and the New York Shipping Association...

The underlying fear, in the U.S. view, is that if the charter operators are not given the necessary freedoms, their business will be adversely affected by the new low fares being offered by scheduled airlines...

It had been hoped that the port of New York employers with the support of 80 major steamship carriers might be able to reach agreement with the union and that other ports would follow suit...

Mr. Thomas Gleason, president of the International Longshoremen's Association (ILA) who had earlier expressed hopes of a quick settlement, subsequently expressed his disappointment.

One indication of the seriousness of the Administration's approach may be gleaned from the fact that yesterday a federal judge fined Luftbansa the West German airline, Pan Am and TWA, \$30,000 each in connection with the first anti-trust action over rate-fixing filed by the Justice Department.

The department apparently found it to be in violation of the law in this case, which covered excursion fares offered to U.S. military personnel in West Germany between 1971 and 1974.

MIDDLE EAST PEACE PLAN

Carter urges end to PLO impasse

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Oct. 25.

PRESIDENT Carter today urged Arab and Israeli leaders not to allow what he described as the "procedural" question of Palestinian representation to prevent the reconvening of the Geneva Middle East peace conference.

A statement issued after talks in the White House between Mr. Carter and Prince Saud, the Foreign Minister of Saudi Arabia, had the effect of highlighting the persistent and so far unresolved issue of whether or not the Palestine Liberation Organisation (PLO) should be present at Geneva.

The statement said that the President reaffirmed his determination to help parties to the conflict work out procedures for reconvening the Geneva Middle East settlement could succeed without settling the Palestinian question and because this required the presence of the PLO or its representatives.

But the Prince repeated today what he had said in television and newspaper interviews over the week-end—that the PLO must attend Geneva because no Middle East settlement could be reached without settling the Palestinian question and because this required the presence of the PLO or its representatives.

BY OUR OWN CORRESPONDENT

AMERICAN aid to Israel will be maintained for an unlimited period in line with the American commitment to work closely with Israel to assist her in reaching her economic goals.

Mr. Blumenthal welcomed the economic measures taken recently by the Begin Government, and particularly the emphasis on encouraging private enterprise. During his talks with Israeli Finance Minister Simha Ehrlich, he also reaffirmed the U.S. commitment to supply Israel with grains and other basic materials during periods of emergency.

Discussions with the Israeli Finance Minister also covered ways and means of narrowing the wide trade gap between the two countries by encouraging American investment and the possibility of the U.S. defence establishment ordering certain parts from Israeli companies.

While the visit of the U.S. Treasury Secretary was unofficially connected with economic subjects, much of his talk with Premier Begin yesterday was devoted to a discussion of Israeli diplomatic stance in the light of the Dayan-Vance working paper on Geneva peace talks and the initial reactions to it from the various Arab capitals.

peace conference by the end of the year." He also expressed his conviction "that differences over procedure should not be permitted to prevent negotiations on the substance of the (Middle East) conflict which all the parties have said they desire."

The U.S. attempt to downgrade the importance of the nature of Palestinian representation into a "procedure" was not immediately dismissed by Prince Saud who described his talks with Mr. Carter as very fruitful.

But the Prince repeated today what he had said in television and newspaper interviews over the week-end—that the PLO must attend Geneva because no Middle East settlement could be reached without settling the Palestinian question and because this required the presence of the PLO or its representatives.

But "procedural" questions are nonetheless threatening to assume a life all of their own, Israeli newspaper, today, for example, were full of reports that the U.S. was working on a procedural scheme that would have the effect of limiting the role at Geneva of the Soviet Union, still one of the co-chairmen of the conference.

Mr. Blumenthal welcomed the economic measures taken recently by the Begin Government, and particularly the emphasis on encouraging private enterprise. During his talks with Israeli Finance Minister Simha Ehrlich, he also reaffirmed the U.S. commitment to supply Israel with grains and other basic materials during periods of emergency.

Discussions with the Israeli Finance Minister also covered ways and means of narrowing the wide trade gap between the two countries by encouraging American investment and the possibility of the U.S. defence establishment ordering certain parts from Israeli companies.

While the visit of the U.S. Treasury Secretary was unofficially connected with economic subjects, much of his talk with Premier Begin yesterday was devoted to a discussion of Israeli diplomatic stance in the light of the Dayan-Vance working paper on Geneva peace talks and the initial reactions to it from the various Arab capitals.

procedural scheme that would have the effect of limiting the role at Geneva of the Soviet Union, still one of the co-chairmen of the conference. The Jewish lobby in the U.S. was much exercised recently at the U.S. initiative in bringing Moscow back into the Middle Eastern orbit.

Meanwhile, Mr. Carter also impressed upon Prince Saud, as a representative of the largest oil producing nation, that the U.S. does not want OPEC to increase oil prices when it meets in Venezuela in December.

Prince Saud has implied that a moderate increase is probably unavoidable, but that the Saudi view is that it should be limited in the extent that it can be absorbed without serious damage to the global economy.

Mr. Blumenthal welcomed the economic measures taken recently by the Begin Government, and particularly the emphasis on encouraging private enterprise. During his talks with Israeli Finance Minister Simha Ehrlich, he also reaffirmed the U.S. commitment to supply Israel with grains and other basic materials during periods of emergency.

Discussions with the Israeli Finance Minister also covered ways and means of narrowing the wide trade gap between the two countries by encouraging American investment and the possibility of the U.S. defence establishment ordering certain parts from Israeli companies.

While the visit of the U.S. Treasury Secretary was unofficially connected with economic subjects, much of his talk with Premier Begin yesterday was devoted to a discussion of Israeli diplomatic stance in the light of the Dayan-Vance working paper on Geneva peace talks and the initial reactions to it from the various Arab capitals.

Discussions with the Israeli Finance Minister also covered ways and means of narrowing the wide trade gap between the two countries by encouraging American investment and the possibility of the U.S. defence establishment ordering certain parts from Israeli companies.

While the visit of the U.S. Treasury Secretary was unofficially connected with economic subjects, much of his talk with Premier Begin yesterday was devoted to a discussion of Israeli diplomatic stance in the light of the Dayan-Vance working paper on Geneva peace talks and the initial reactions to it from the various Arab capitals.

Levesque arrives in France

PARIS, Oct. 25.

M. RENE Levesque, the Prime Minister of Quebec, is spending a week resting in France before starting an official visit here on November 2, officials said today.

During his three-day official visit, M. Levesque will have talks with President Valéry Giscard d'Estaing and M. Raymond Barre, the French Prime Minister. He will also meet the Foreign Minister.

The visit has been the subject of controversy with the Canadian Federal Government on the grounds that M. Levesque, who leads the separatist Parti Québécois, is seeking to take the predominantly French-speaking province out of Canada.

Victor Mackie aids from Ottawa: The percentage of English-speaking immigrants to Quebec dropped, while the French-speaking percentage increased, during the first six months of 1977 compared with the corresponding period last year, according to Canadian Government statistics issued today.

An Immigration Department report on immigration within Canada shows that 20.3 per cent of the 10,659 immigrants to Quebec between January and June were Anglophone. Out of the 12,396 immigrants to Quebec during the corresponding period last year, 33.5 per cent were Anglophone. Comparable figures for the francophone immigrant population showed 32.1 per cent this year, an increase from 28.8 per cent last year.

Blumenthal reaffirms commitment on aid

BY OUR OWN CORRESPONDENT

AMERICAN aid to Israel will be maintained for an unlimited period in line with the American commitment to work closely with Israel to assist her in reaching her economic goals.

Mr. Blumenthal welcomed the economic measures taken recently by the Begin Government, and particularly the emphasis on encouraging private enterprise. During his talks with Israeli Finance Minister Simha Ehrlich, he also reaffirmed the U.S. commitment to supply Israel with grains and other basic materials during periods of emergency.

Discussions with the Israeli Finance Minister also covered ways and means of narrowing the wide trade gap between the two countries by encouraging American investment and the possibility of the U.S. defence establishment ordering certain parts from Israeli companies.

While the visit of the U.S. Treasury Secretary was unofficially connected with economic subjects, much of his talk with Premier Begin yesterday was devoted to a discussion of Israeli diplomatic stance in the light of the Dayan-Vance working paper on Geneva peace talks and the initial reactions to it from the various Arab capitals.

Simon leaves newspaper

BY JOHN WYLES NEW YORK, Oct. 25.

MR. WILLIAM SIMON, the former U.S. Treasury Secretary, has resigned from the Board of the planned new morning newspaper for New York, The Trib, amid allegations that he was trying to gain control of the paper for "political purposes."

Mr. Leonard Saffir, the publisher, revealed yesterday that Mr. Simon's resignation from the Board had been requested because he had allegedly attempted to gain editorial and financial control of the Trib for political purposes.

The Trib is to be launched as a tabloid on January 9 after an initial investment of at least \$2m. Mr. Saffir said that Mr. Simon owned a "minor percentage" of Trib stock but tried to gain control "by bringing in his friends—highly visible and controversial people—as stockholders."

Mr. Simon's departure is ironic that Mr. Saffir has cited his participation during much of this year as evidence of the project's credibility and basic financial strength. Mr. Simon is a former investment banker, and Mr. Saffir applied that he may have wanted to use the newspaper as a base for support if he stood for political office.

Pessimism on securities

BY OUR OWN CORRESPONDENT NEW YORK, Oct. 25.

A GLOOMY assessment that the U.S. securities industry is in such poor shape that further rapid contraction is unavoidable has been made by Mr. Robert Baldwin, president and managing director of Morgan Stanley.

Mr. Baldwin, who takes over as chairman of the Securities Industry Association in December, said yesterday that since 1973 an average of one-third of the New York Stock Exchange firms including business with the public had suffered losses.

This year has already seen three significant mergers between Wall Street firms, and Mr. Baldwin predicted that "another 25 or 30 sizeable companies would disappear during the coming year through mergers or acquisitions. This assumed that there would be no major change in market conditions, and "I can not see any end yet to this trend," said Mr. Baldwin.

The slump in trading this year allied to slim brokerage commissions has been hurting many Wall Street companies. It is thought that the merger pace will quicken if the Securities and Exchange Commission goes ahead with its proposal to allow off-board trading of New York Stock Exchange securities from January 1. Mr. Baldwin supported the general securities industry view that the approach to off-board trading must be made "only when the essential elements of a national market system are in place. Otherwise abolition of existing rules preventing off-board trading would do irreparable harm to the auction market and hence to the capital raising process."

Fed raises discount rate

BY OUR OWN CORRESPONDENT NEW YORK, Oct. 25.

THE FEDERAL Reserve Board, the nation's central bank, today raised its discount rate from 5 1/2 per cent to 6 per cent, implicitly confirming the recent increases in short-term interest rates.

The discount rate is the rate of interest which the Federal Reserve charges when member banks borrow bank reserves from it, rather than purchasing them in the federal funds market.

Although the rate can be used as an instrument of monetary policy, the increase today is following rather than leading short-term rates upward. Federal funds are already trading in the open market at an average of around 6 per cent. The Fed said that the increase was also to reduce the incentive for member banks to borrow from the Federal Reserve.

31.1 mpg on "Truck" road test. "Truck" magazine's April issue reported a comparison between Sherpa, Transit, Bedford, VW and Dodge vans. Their gruelling test included heavy traffic, delivery and motorway conditions.

The overdrive Sherpa and the standard Sherpa returned better overall mpg figures than any of their rivals. All carried a load of one metric tonne. Our overdrive version clocked 31.1, and our standard version clocked 29.26 mpg.

"Truck" concluded: "... the Sherpas were the best all rounders at the test track with consistent economy, respectable performance..." If one Leyland Sherpa alone could save you hundreds of pounds over its working life, think what a fleet could do.

It handles more, yet it's easier to handle. 190 cubic feet (SAE) puts the Sherpa among the top space providers: a lot of useful storage, yes; but even more useful is the way we've distributed it. Wisely, we've gone for length as the main dimension.

Result: the Sherpa is your best buy for long loads like ladders, 12 foot carpet rolls (by removing the passenger seat) and up to 14 bulky building site workers in the crewbus version.

Greater length and less width has given the driver yet another advantage. The long, slim Sherpa can snake down a narrow lane between parked cars without losing a lick of paint.

As for cab comfort, in facilities and seating, the Sherpa can stand comparison with the best.

The best warranty in the business. The Sherpa, like all vehicles from Leyland Cars, enjoys a warranty without parallel in Britain today.

It gives you a year's free no-mileage limit, with free parts and labour, a year's free 24-hour roadside assistance from the A.A., a year's free A.A. Relay Recovery service (approved conversions and U.K. mainland only) and a free 69 point pre-sale check-out.

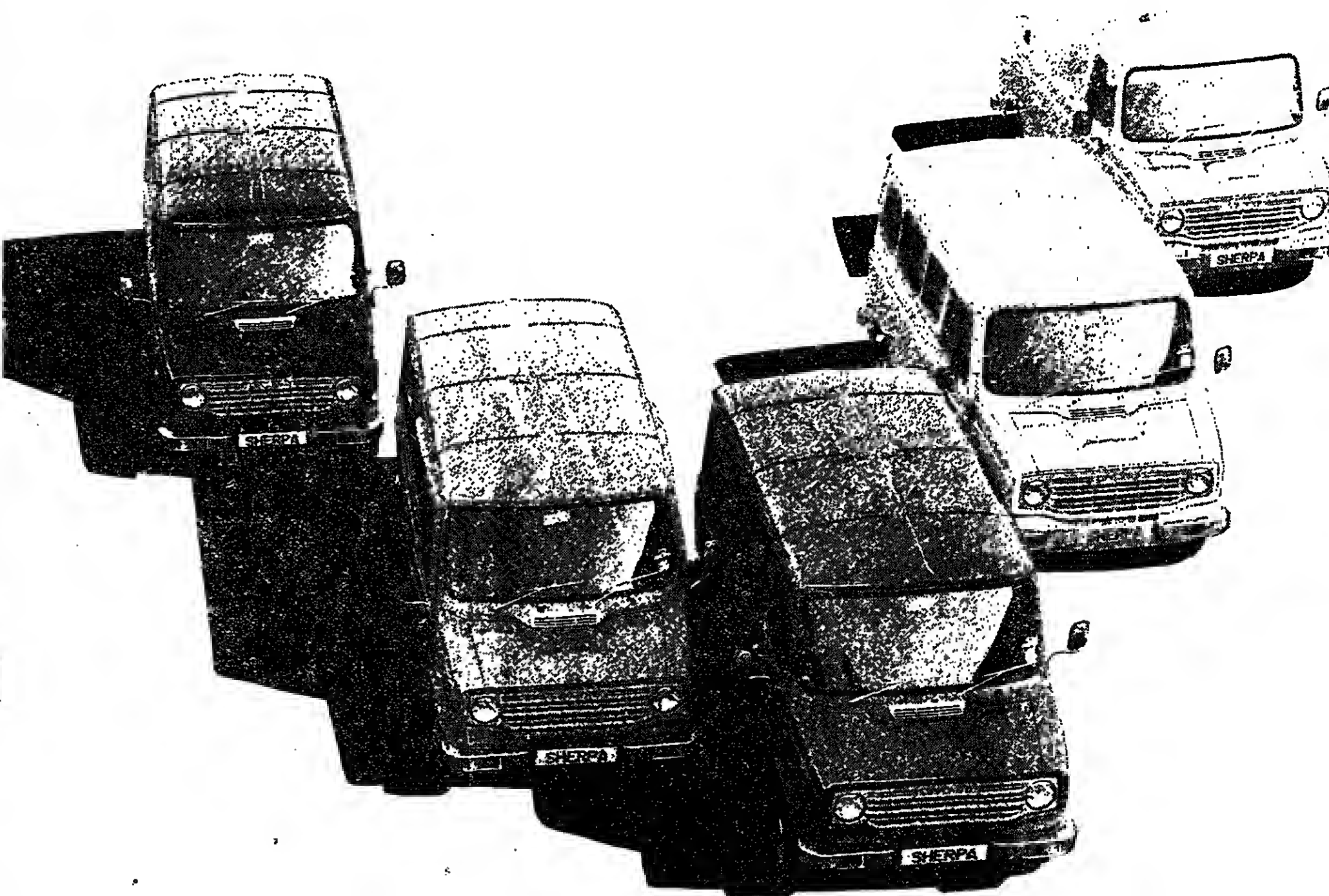
Even our range is ahead of competition. You can carry from 13 to 23 cwt, choose from 5 body options (including a pick-up) and from 3 engines: 2 petrol and 1 diesel.

For the address of your nearest dealer, write to Light Commercial Vehicle Sales, Sales & Marketing Division, Leyland Cars, Grosvenor House, Redditch, Worcestershire.



From Leyland Cars. With Supercover.

Vans. Minibuses. Crewbuses. Pick-ups. Chassis-cabs.



On mpg alone, you're miles better off with a Sherpa fleet.

WORLD TRADE NEWS

Imports 'threaten future' of U.K. chipboard industry

BY RAY FERMAN, SCOTTISH CORRESPONDENT

BRITISH chipboard producers attributable to the recession in the construction and furniture industries, where it is used as a substitute for sawn wood. Restricted imports from Europe are the cause of the collapse within six to twelve months...

Sweden to cut imports of textiles

STOCKHOLM, Oct. 23. THE SWEDISH Government today would seek to introduce further textile import curbs...

AER Macchi contract in Turkey

By Our Own Correspondent ISTANBUL, Oct. 23. THE ITALIAN company AER Macchi has won a \$150m. contract to help Turkey set up an aircraft industry...

W. Germans back rich nations

BY ADRIAN DICKS

BOEN, Oct. 25.

WEST GERMANY'S deficit on trade widened to DM1,050m. during the first half of this year from DM1,850m. in the first six months of 1976...

investors greatly increased their outlays in industrialised countries at the expense of the developing world, with the single exception of Brazil.

Surplus reaches DM26bn.

BY OUR OWN CORRESPONDENT

Boon, Oct. 25.

WEST GERMANY'S surplus on trade reached DM26.3bn. during the first nine months of 1977 following a jump by almost 50 per cent. to DM13.7bn. for the months of September alone.

The payments surplus for the first nine months showed a less favourable situation, however, it was down to DM500m. from DM4.4bn. during the first nine months of last year.

Austria plans tougher controls

BY PAUL LENDVAI

VIENNA, Oct. 25.

FACED WITH a rapidly growing trade deficit, the Austrian Government has decided to introduce more stringent import controls and also to revoke certain tariff cuts.

The Finance Minister, Dr. Hans Androsch, said in a recent television discussion that higher tariffs on imported farm produce and low cost textiles will definitely be introduced next year.

Japanese yards ready to fight back

BY DOUGLAS RAMSEY, IN TOKYO

Order books at end-September were worth \$2,150m. (about \$3.4bn.) for 590 ships totalling just over 11m. gross tons.

U.K. poultry to Iran

A further deal for the export of frozen chicken was announced yesterday by Mr. Bill Eastwood, chairman of the British Poultry Export Company.

The deal worth more than \$12m. is for the delivery of 10,000 tonnes of frozen chicken to Iran between next month and April.

\$5m. credit for Poland

Morgan Grenfell has signed a general purpose line of credit agreement for \$5m. with Bank Handlowy w. Warszawie in Warsaw.

The new line is guaranteed by the Export Credits Guarantee Department and will be used to finance U.K. exports of capital goods and associated services.

Swedish shipbuilders

Swedish shipbuilders are clearly under pressure to take some action.

The Union of Greek Shipowners' Association has been pressing since July for an across-the-board review of prices charged by Japanese shipyards.

The international bank with special expertise in Saudi Arabia

البنك السعودي العالمي المحدود Saudi International Bank AL-BANK AL-SAUDI AL-ALAMI LIMITED 99 Bishopsgate, London EC2M 3TB. Telephone: London (01) 638 2323. Telex: 8812261/2.

Issued and paid-up capital: £25 million. Shareholders: Saudi Arabian Monetary Agency, Riyad Bank, National Commercial Bank (Saudi Arabia), Morgan Guaranty Trust Company of New York, The Bank of Tokyo, Banque Nationale de Paris, Deutsche Bank, National Westminster Bank and Union Bank of Switzerland.

Change more than your hat before you go to Japan

You're going to need money when you're there. Japanese yen. Surely it's more sensible to buy them here and take them with you.

With Thomas Cook you can.

Just think what local currency travellers cheques can mean to you. No more difficulties presenting your cheques when the banks are closed. No more complicated conversions when you spend. No more intoning multiplication or division when you least want it - late night restaurants or early morning hotels. Simply peace of mind, trouble-free spending - and that warm feeling of security that comes from knowing that your cash is insured.

Not only Japanese yen! Thomas Cook Travellers Cheques are also available in US dollars, Canadian dollars, Hong Kong dollars, Australian dollars, Sterling and Swiss francs. Ask for them at your local bank, Trustee Savings Bank, Crown Post Office, travel agent - or any Thomas Cook office.

Common sense, security and simplicity. That's Thomas Cook Travellers Cheques. A change for the better.



Thomas Cook Travellers Cheques



Handwritten signature or text at the bottom of the page.

Sweden cut imports of textiles
AER Mac contract in Turkey

"We think ourselves lucky if we fall into a trap."

Geologists are eternal optimists.

"You have to be", declares Alastair McArthur. "If you're not, you'll never drill a single well".

The optimism doesn't come easily, given the £3.5 million cost of a North Sea 'wildcat'—the initial exploration well drilled in an area—and 1-in-5 odds it will find oil or gas. Even a 'successful' well is no guarantee of success; in the North Sea, most wells which do find oil or gas do not find enough to make the well commercially valuable.

Alastair McArthur is one of a team of Mobil geologists and geophysicists who help narrow the odds before a decision is made to drill an exploratory well.

Seismic vessels crisscross the area under investigation, firing harmless sound 'guns' and recording the sound waves as they bounce off rock formations thousands of feet beneath the sea bed. From the results of these and such other studies as gravity and magnetic measurements, the geophysicists create a 'map', like the one opposite, of the rock formation structures.

The geophysicist's job is to outline the shape of the structure. The geologist has to interpret the shape to determine if it contains the three elements needed for oil.

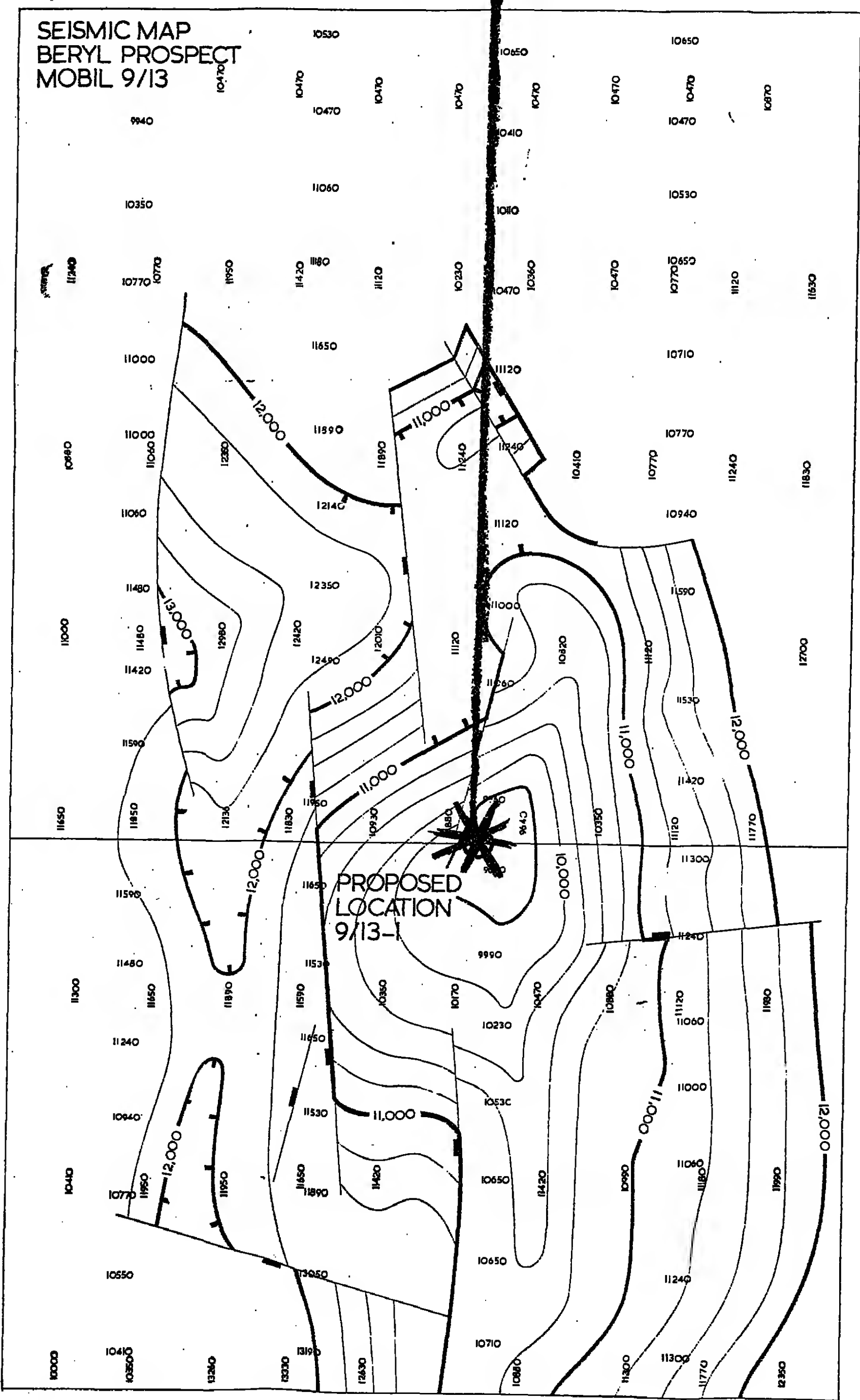
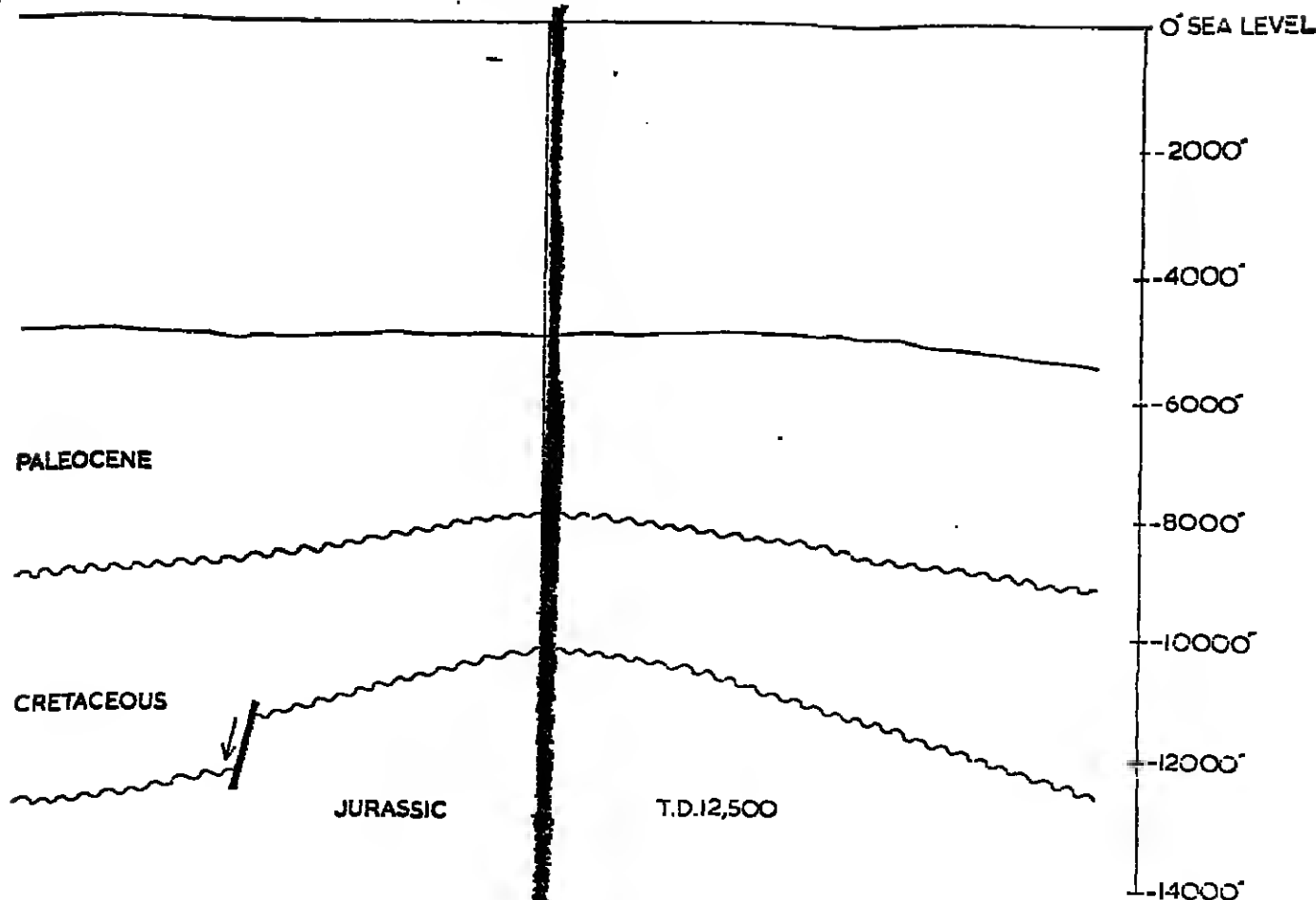
"For oil to be present in a structure", explains McArthur, "there must be a source rock in which the oil could have formed, a reservoir into which it could have moved, covered by a solid rock 'lid' to hold the oil in the reservoir. This happy arrangement of rocks is the 'trap' that may be found by a combination of hard work and good luck".

In many parts of the world, where intensive drilling has already taken place, geologists can use information about nearby rock formations to increase the prospects for success of additional wells.

But the North Sea is so vast that—even after more than a decade of drilling—the wells in some areas are so widely spaced as to be of little help in planning additional drilling.

It is in these areas, particularly, where the skills and optimism of geologist McArthur and his Mobil colleagues are needed to keep us falling into traps.

PROPOSED WELL LOCATION 9/13-I



No. 3 in a series on North Sea operations. For the complete set, write to: Manager, Public Affairs, Mobil North Sea Limited, Mobil Court, 3 Clements Inn, London WC2A 2EB

HOME NEWS

Food and drink industry demands reform of EEC

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

BRITAIN'S food and drink manufacturers yesterday launched what is likely to be a long uphill campaign to persuade politicians within the Common Market and EEC food processors to accept the need for major changes in the Common Agricultural Policy.

The Food and Drink Industries Council, which acts as the umbrella organisation for the 19 different trade associations in the food and drink sector, called for the introduction of a common food policy which would amplify one of the Community's original objectives, namely ensuring that food reaches the consumer at a reasonable price.

That objective, embodied in the Treaty of Rome, had, said the Food and Drink Industries Council, been overlooked, with the interests of consumers and manufacturers taking second place to those of farmers.

What was urgently needed now was a policy which paid more attention to the needs of manufacturers and ultimately, those of consumers.

The Food and Drink Industries Council's statement coincided

with a strongly-worded call for changes in the Common Agricultural Policy from Mr. Gavin Strang, Parliamentary Secretary at the Ministry of Agriculture. Speaking in London, Mr. Strang said that the GAP "desperately" needed reform. Its food surpluses represented a costly and wasteful misuse of Community resources.

Target prices

In its long term policy for Europe, the Food and Drink Industries Council called for the introduction of medium-term production targets within the Community.

These targets would be based not only on the capacity of land available within the Community, but also on the likely demand for the products and the need for investment and an adequate return for all those working in the food chain—manufacturers and farmers alike.

This, the Food and Drink Industries Council said, would allow the Community to decide which food products to import and which to export. At present, the federation claimed, food manufacturers were not even consulted over the likely pattern of future demand.

The Food and Drink Industries Council insisted that it was not adopting an anti-farming stance but as part of this Common Food Policy it also wanted a change in the way common target prices were established.

Target prices, it said, should be geared to providing a reasonable return for the efficient farmer. They should not be used as a way subsidising the inefficient producer. That was part of fiscal policy and not agricultural policy.

In the same way, it would like to see intervention prices reduced, so discouraging farmers from increasing production of products for which there is a genuine market and thus adding to surpluses.

The Council also wants tariff barriers reduced so that products, which either could not be economically produced in the Community or which could not be produced in sufficient quantities, could be imported more easily from outside.

Governor advocates tax breaks

BY NICHOLAS COLCHESTER

TAX BREAKS for small companies were advocated by Mr. Gordon Richardson, Governor of the Bank of England, in a speech to 750 executives for small businesses in London yesterday.

Addressing a conference on the Future of the Private Company in Britain, the Governor said: "A better tax climate would be a more potent stimulant in favour of small business than would specific measures to subsidise the cost of finance or to plug the information gap."

A small business sector can not thrive unless it is possible to accumulate capital and then to transmit it to one's family."

He had read the evidence submitted to the Wilson Committee studying the financial institutions as "refuting the charge against the financial system that it has withheld funds from industry or misdirected them."

Turning to the "information gap" alluded to by this and other committees, Mr. Richardson said that the Bank of England was thinking of compiling a handbook on sources of finance for industry which might be made available to a large number of companies.

Those who supplied venture capital for business should become more involved with their investments.

"Passive investment is not enough. The providers of venture capital could develop a greater capacity to monitor and judge products and markets, rather than just balance sheets and cash flows."

On the question of lending, Mr. Richardson said that the strict tax relief provisions of 1974 should become permanent, thus removing the need for so much deferred tax in company balance sheets.

These deferred charges could not be prudently ignored by the providers of finance and the banks should discuss this matter with the Revenue.



Mr. Michael Edwardes, the new chairman of British Leyland, arriving at the Grosvenor Gardens office of Chloride yesterday.

British Leyland has a future and talent, says Edwardes

BY KENNETH GOODING

BRITISH LEYLAND'S new chairman, Mr. Michael Edwardes, explained yesterday in a letter to his colleagues at Chloride why he had decided to take on the job, one of the most difficult in the U.K. industry.

"Not to mince words, British Leyland's future is uncertain and it continues to constitute an unrelenting drain on public funds," he said.

"Apart from being one of the country's largest employers, and the largest exporter, it is also a prime customer of a large number of component suppliers."

"If British Leyland fails to succeed it will have the most dire effect on jobs and investment prospects, not to mention the reputation of Britain and British goods overseas."

you really hope to influence such members work in harmony. We task is enormous, some people would even say impossible.

"I am going to try because I believe that British Leyland does have a future. It is a company which has talent at all levels. Talent that can and must be fully utilised. Given the right support from all in the company and the Government—and that could mean factoring up to some tough decisions to the future—it is still possible to restore its growth and realise its full potential."

Mr. Edwardes will meet all British Leyland executive directors today to set their views about the changes which might be made within the company to improve its performance and morale.

Mr. Edwardes is 47, short and slim; the physical opposite of Sir Richard Dobson whom he replaces. He was educated at South Africa, trained as a lawyer and still retains traces of a South African accent.

He joined Chloride in that country in 1951 as a management trainee and became a main Board member in 1969. He became chief executive in 1972 and chairman in 1974. The following year he won the Guardian young businessmen of the year award. During his term as chief executive, Chloride's profits have quadrupled to £13.7m.

In 1975 he was appointed to help Sir Don Ryder organise the National Enterprise Board. One of his colleagues at the Board said of him yesterday: "He is respected by all members—management people and unionists—for his ability to get the best out of people. He appears to us to be someone who is strong enough to push through any necessary changes at Leyland and who can convince employees that they should go along with him."

Mr. Edwardes said last night: "I believe in getting a consensus approach to management has, in any move we make—not just always been that I gather to get a top team in which all shop floor too."

Property deals blamed for school's failure

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

PROPERTY DEALINGS were the cause of the voluntary liquidation of the London School of Accountancy yesterday, which provided study programmes for chartered accountancy students.

The subsidiary—London School of Accountancy (Holdings)—said yesterday that its resources had become severely strained because of the weak property market.

"A number of leases, acquired at various stages of the company's development during the 1970s, have proved onerous and impossible to realise."

The 794 students whose work for final examinations in December has been affected by the liquidation are being offered courses at no extra tuition cost by other private colleges belonging to the Association of Independent Tutors in Accountancy.

Those wishing to take alternative residential, rather than day courses, will be asked to pay for accommodation.

Plans are being made for other people affected who are studying for the 1978-79 exams of the Institute of Chartered Accountants in England and Wales, which has withdrawn its accreditation of the London School of Accountancy.

he has been affected by the liquidation are being offered courses at no extra tuition cost by other private colleges belonging to the Association of Independent Tutors in Accountancy.

Those wishing to take alternative residential, rather than day courses, will be asked to pay for accommodation.

Plans are being made for other people affected who are studying for the 1978-79 exams of the Institute of Chartered Accountants in England and Wales, which has withdrawn its accreditation of the London School of Accountancy.

'Uranium cartel' inquiry urged

By Paul Chesswright

THE EUROPEAN COMMISSION was told yesterday that it should investigate allegations of the existence of a uranium cartel. The duty stemmed from Article 85 of the Treaty of Rome, which set up the European Economic Community.

The point was made in submissions to the Law Lords Mr. John Vinelott, QC, counsel for Westinghouse Electric, in a series of appeal actions to decide whether seven directors of RTZ-Tinto-Zinc should give evidence in a U.S. court at Richmond, Virginia.

The Virginia court is hearing a \$22m case in which plaintiffs are suing Westinghouse for failure to honour uranium supply contracts. Westinghouse in turn, has brought a \$60m action against 29 uranium producers, among them RTZ companies, claiming that prices were forced up by the operation of a cartel.

Mr. Vinelott said that for 5 years the Commission had knowledge of the uranium "club" which "had all the characteristics of a cartel."

There was a strong prima facie case showing the existence of a cartel.

The complaint by Westinghouse is that this cartel had effect in the U.S. and was aimed at "injuring Westinghouse quite deliberately," Mr. Vinelott said.

Mr. Vinelott said that for 5 years the Commission had knowledge of the uranium "club" which "had all the characteristics of a cartel."

There was a strong prima facie case showing the existence of a cartel.

The complaint by Westinghouse is that this cartel had effect in the U.S. and was aimed at "injuring Westinghouse quite deliberately," Mr. Vinelott said.

Mr. Vinelott said that for 5 years the Commission had knowledge of the uranium "club" which "had all the characteristics of a cartel."

There was a strong prima facie case showing the existence of a cartel.

The complaint by Westinghouse is that this cartel had effect in the U.S. and was aimed at "injuring Westinghouse quite deliberately," Mr. Vinelott said.

Mr. Vinelott said that for 5 years the Commission had knowledge of the uranium "club" which "had all the characteristics of a cartel."

There was a strong prima facie case showing the existence of a cartel.

The complaint by Westinghouse is that this cartel had effect in the U.S. and was aimed at "injuring Westinghouse quite deliberately," Mr. Vinelott said.

Mr. Vinelott said that for 5 years the Commission had knowledge of the uranium "club" which "had all the characteristics of a cartel."

There was a strong prima facie case showing the existence of a cartel.

The complaint by Westinghouse is that this cartel had effect in the U.S. and was aimed at "injuring Westinghouse quite deliberately," Mr. Vinelott said.

Mr. Vinelott said that for 5 years the Commission had knowledge of the uranium "club" which "had all the characteristics of a cartel."

There was a strong prima facie case showing the existence of a cartel.

The complaint by Westinghouse is that this cartel had effect in the U.S. and was aimed at "injuring Westinghouse quite deliberately," Mr. Vinelott said.

Mr. Vinelott said that for 5 years the Commission had knowledge of the uranium "club" which "had all the characteristics of a cartel."

There was a strong prima facie case showing the existence of a cartel.

The complaint by Westinghouse is that this cartel had effect in the U.S. and was aimed at "injuring Westinghouse quite deliberately," Mr. Vinelott said.

Mr. Vinelott said that for 5 years the Commission had knowledge of the uranium "club" which "had all the characteristics of a cartel."

There was a strong prima facie case showing the existence of a cartel.

The complaint by Westinghouse is that this cartel had effect in the U.S. and was aimed at "injuring Westinghouse quite deliberately," Mr. Vinelott said.

Motor chief attacks State policy

BY IAN HARGREAVES

AN ATTACK on the confusion of Government policy towards the motor industry came last night from Mr. David Plastow, group managing director of Rolls-Royce Motors and president of the Society of Motor Manufacturers and Traders.

Mr. Plastow, addressing the Motor Agents' Association's annual dinner in London, said that the Government's necessary support for large sections of the motor industry was in conflict with its recently formulated transport policy which would have the unfortunate effect of making road transport less attractive and more costly for individual and business use."

The White Paper on transport

published in June was "long on Government's proposals to control private off-street and business parking involved forcing a policy which had grown out of London's traffic problems on to the rest of Britain. "It would change the pattern of motoring in this country and make the ownership of a car less attractive than it is today."

Mr. Plastow suggested that the

Motorists will be able to have their cars, whatever the make, checked at most Ford main dealers and retail dealers.

The check covers brakes, lighting, suspension, steering, tyres, underbody, exhaust, shock absorbers and seat belts.

Motorists will be able to have their cars, whatever the make, checked at most Ford main dealers and retail dealers.

The check covers brakes, lighting, suspension, steering, tyres, underbody, exhaust, shock absorbers and seat belts.

Motorists will be able to have their cars, whatever the make, checked at most Ford main dealers and retail dealers.

The check covers brakes, lighting, suspension, steering, tyres, underbody, exhaust, shock absorbers and seat belts.



A Hertz No.1 man gets away from the crowds. Fast.

When you rent a Hertz car, you're a No. 1 man instantly. We don't keep you waiting. You want a car? You get it... fast! An economical Ford Fiesta, the new Cortina, Granada or another fine car, thoroughly cleaned, checked and serviced.

It's all part of the Hertz service. A service so efficient that only Hertz could offer you the latest innovation in speedy car rental: the Hertz No. 1 Club*.

Being a member of the Hertz No. 1 Club means that you won't have to waste time while your rental form is being filled in. It is prepared in advance. Before you leave, you telephone the number below, your travel agent, or your nearest Hertz office. Give your Hertz No. 1 Club membership number and your

reservation details. Your car will be ready and waiting.

All you do is show your driver's licence and charge card, sign and go. So when you rent cars, rent Hertz and become a No. 1 man. And why not do what almost 2 million business people around the world have done: join the Hertz No. 1 Club. No introduction is needed, no membership fee. Get your application form for the Hertz No. 1 Club at any Hertz counter or office. Or, when you next rent a Hertz car, ask to be enrolled automatically.

Book your rental to any major charge card. Or even easier for you, get a Hertz Charge Card. There are no interest charges.



*In Germany, the Hertz VIP Club.

The Hertz No.1 Club Phone, sign, and go.

LONDON 01-402 4242 MANCHESTER 061-437 8321 BIRMINGHAM 021-643 8991 GLASGOW 041-248 7733

Mason may cut Ulster troops

BY GILES MERRITT

MR. ROY MASON, the Northern Ireland Secretary gave a clear indication yesterday that he was looking closely at reducing troop levels in Ulster.

Mr. Mason speaking at Ballymena, Co. Antrim, said: "If the pattern of violence remains as it is now the need to deploy large numbers of troops is reduced, and I will be able to review the force level of the British Army in the province."

He did not specify the scale of reduction that he envisages, but emphasised that whatever the present 14,000-strong commitment dropped to, the Army's under-cover SAS-style operations would continue.

In a clear reference to the "covert activities" that he ordered stepped up early this year, Mr. Mason said: "Any possible reduction in troop strength will not affect measures put into effect earlier this year to intensify security, and which have begun to pay dividends."

His announcement of a review of troop strengths comes a fortnight before the arrival at the Army's Lishburn HQ of Lt-Gen. Timothy Creasey, taking over as C-in-C from Lt-Gen. Sir David House.

Although Protestant critics of British security policy are expected to allege that Lt-Gen. Creasey will be running down the Ulster Command, it is unlikely that the reductions will be substantial.

Mr. Mason's review is expected over the next three months, and to result in a cut of several battalions. The new GOC is a

noted counter-insurgency expert and will probably further intensify the Army's "covert" operations against terrorists.

Northern Ireland should remain under the control of the British Government, Senator Dr. Conor Cruise O'Brien said yesterday in London.

It was the only solution "tolerable to both communities," he told a meeting of the Royal Institute of International Affairs, Dr. O'Brien, former Eire Minister who lost his seat in the General Election, was re-elected to the Senate in August.

He resigned from the Irish Parliamentary Labour Party in September after claiming that fewer than half the combined population of the Republic and Northern Ireland favoured a united Ireland.

Call to capitalise on oil success

FINANCIAL TIMES REPORTER

THE BRITISH ECONOMY is moving into a phase when it will be highly credit-worthy, thanks to North Sea oil and the sacrifices made by people over the past three years, said Mr. John Greenborough, chief executive and deputy chairman of Shell UK.

But he warned industrialists at the British Institute of Management annual fellows' lunch in London yesterday that "extended credit" from North

Sea oil would run out eventually. Then the country would have to stand on its own feet, or fall back into debt.

The major problem for industry now was to capitalise on the success of North Sea oil. Management had to build a firm financial and economic base against the exhaustion of oil, the source of Britain's present credit-worthiness.

After consulting the Treasury on Mr. Wilhelmy's dilemma, he received 200 replies and drew up a short-list of three before the Inland Revenue advised him that he would be liable for Gift Tax if he handed over the business. He has now been offered a solution by his MP, Mr. Michael Ward.

Mr. Ward, a Labour MP, said: "After consulting the Treasury on Mr. Wilhelmy's dilemma, he received 200 replies and drew up a short-list of three before the Inland Revenue advised him that he would be liable for Gift Tax if he handed over the business. He has now been offered a solution by his MP, Mr. Michael Ward."

loped by the North Sea oil companies. There had to be a sound sense of strategy, both national and commercial; a profound commitment to individual management performance in technology and in line-management, and the most considered and skilful re-allocation of resources."

Mr. Greenborough said that all managers should concentrate on the lessons of the North Sea oil industry.

MP tells how to shed company

MR. JOHN WILHELMY, managing director of a concern making ship-fitting equipment on Westwood Industrial Estate, Peterborough, advertised last summer offering £1,000 to anyone who could advise him how to give away his company without paying tax.

When the business answers fall into place, that's teamwork.

Your sales director can sell them.
Your production director can make them. Your
transport director can deliver them.

But can you afford them?

Talk to your local Midland Bank manager
and see how his team can give your team
the answers.

Your problems may be anywhere
between cashflow at home and documen-
tary letters of credit from buyers overseas.

You'll find your local Midland manager
can call on a team whose answers may
include factoring to speed up your cashflow;
leasing to accelerate expansion plans;

export finance to bridge the gap between
manufacturing and getting paid; even
vetting local agents in your principal foreign
markets and insuring your products till they
get there.

Your local Midland manager can help
you answer all these business questions, and
more. He gains additional strength from
Midland Bank Group, a powerful team of
companies specialising in businesslike
solutions for industry.

And they're all as accessible to your
business team as a call to your local
Midland Bank.

It's time your business team met the Midland's



Midland Bank

South Africa's black miners between two ways of life

BY G. M. THAIN

SOUTH AFRICAN gold mines, after a long spell of near-acute shortages of black miners, have moved into a period of surpluses but the prospect of achieving a stable labour force with increasing skills seems as far off as ever.

The situation is full of paradoxes which have their roots in the parallel existence of two ways of life in terms of social structure and economics—politics playing a negligible role. The mining industry traditionally depends upon an adequate flow of migrant labour, a matter of much controversy. Briefly, this is the recruitment of workers in their homelands—domestic or foreign—for contract periods ranging from six to 18 months. At the end of it they return. After a break they may or may not decide to take up another contract.

One main criticism of the system is that it disrupts family life. That is true though the majority of recruits are single young men seeking cash in part to supplement earnings of their immediate family, but mainly to marry and establish a family of their own. The industry also has come under fire because of the living conditions provided and the way of life which the system entails.

Average payment

The mines dislike the migrant system as much as any of the critics. Apart from other difficulties which it entails, it is from the purely economic aspect the main factor behind low productivity levels. Efforts made to raise them have so far fallen far short of the theoretical potential. Until some five years ago, before the gold was freed from the shackles of the official price of \$35 an ounce, the average monthly cash wage was R17 a

month, with free accommodation, food, medical services and certain other amenities. Now the average payment is R108.50 (£72.30), with R68.90 for novices, rising to R159-R212 for senior team leaders. Non-cash remuneration is estimated at nearly R50 a worker per month. Coupled with this there has been capital spending running into millions a year on improving the quality of living conditions.

It was confidently expected that these improvements would radically increase the attractiveness of mining as a job and encourage blacks to sign on for long-term contracts and to renew more frequently, paving the way towards their adopting mining as a lifetime career. The number of those seeking work has been increased, but the main reason for it appears to be the depressed state of the South African economy as a whole. There has been little sign of the main objectives being achieved, in fact there has been an appreciable setback.

The fundamental reason is that while the white society in southern Africa is an advanced consumer society calling for high cash earnings, its black counterpart has not advanced far from its age-old subsistence structure and shows little sign of undergoing rapid change.

In consequence, with a family group largely self-supporting through farming activities, the cash earnings of any member are supplementary to total income and not a major portion of it. Therefore it may be said that the mining industry is the employer of last resort as the source of additional income.

Once the short-term needs of the family unit have been met, so home of their own accord. As a result the new recruits will have to be trained before going underground only achieve an economic level of productivity occupations. Too often men do not appear to think these jobs worth the time required to gain



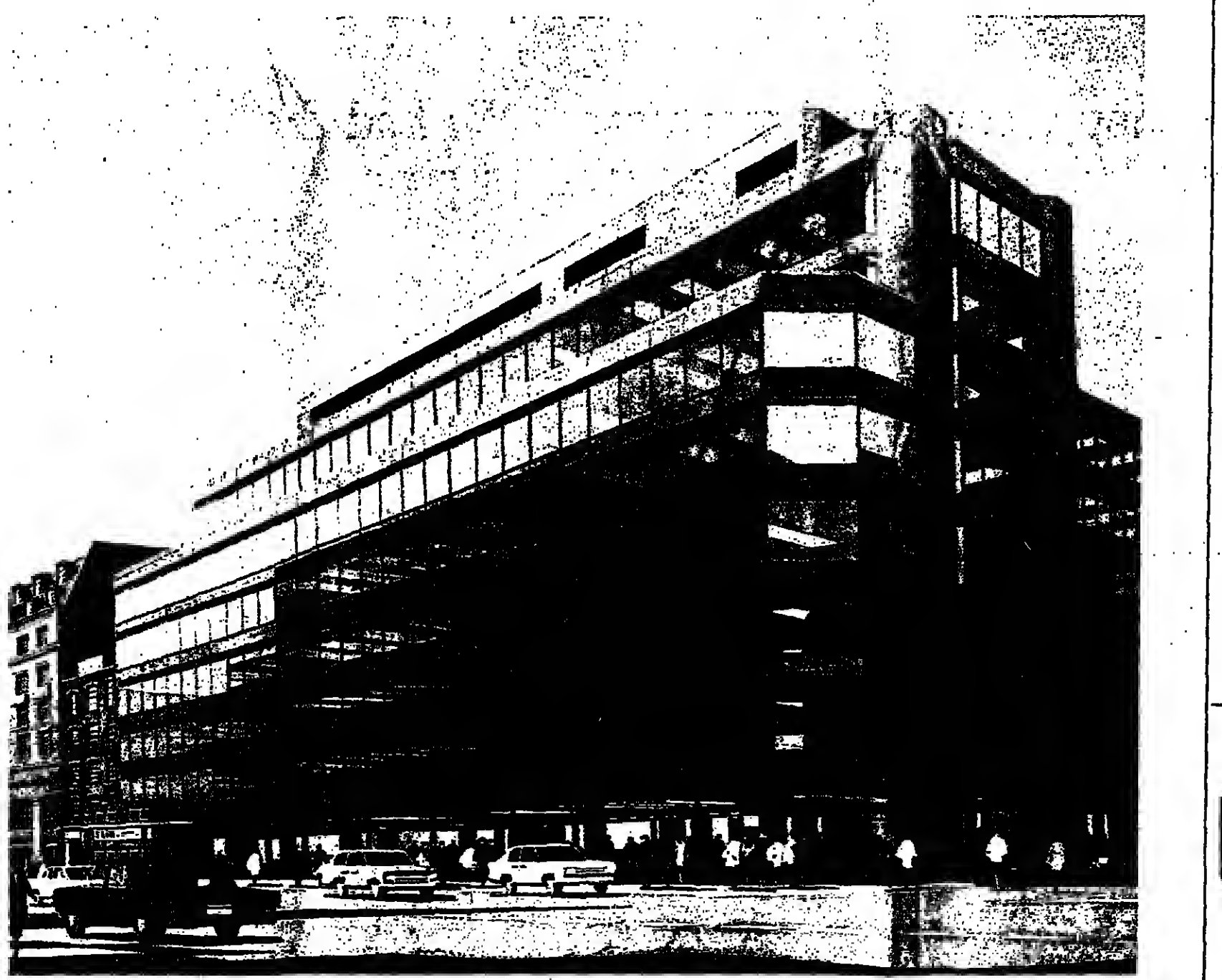
Miners drawing their food.

promotion. Until rural black communities get caught up in the consumer society, no incentive exists for members to become permanently involved in underground mining.

A naive solution advanced by some economists and sociologists is that black workers and their families should be permanently housed in mining areas. That would bring about more evils than the present system. It is difficult, on moral grounds, to justify uprooting thousands of family groups from an existing way of life and pitching them into a new environment in which economic pressures will force the breadwinner—to put it crudely—to spend his working life underground to support his dependants. Besides, the cost would be beyond the financial resources of even the richest gold mine. For a big producer with 15,000 black workers, a complete town to house 80,000 people would have to be built and employment for up to 3,000 besides the miners would have to be found.

Even though these problems could be overcome, the whole concept breaks down on the fact that any mine—and the industry as a whole—has a finite life. The great majority now being worked will have ceased operations 20 years from now. What then would be the future of such communities? What work could exist for the inhabitants unless the towns were broken up and the inhabitants re-deployed in yet new towns elsewhere? Nor could they be sent back into the areas of their origin and with societies completely alien to their miners' way of life.

This is the basic dilemma of the gold mining industry of South Africa. Until now palliatives have been sought on an ad hoc basis. But the stage has arrived where a concerted effort must be made to settle it at the fundamental level.



Is there an insurance expert in the house?

Suddenly, some of London's top insurance underwriting and broking offices are empty. And a new firm, at 22 Billiter Street, is alive and bustling. Because the Alexander Howden Group has moved into one new office. The implications for buyers of insurance are considerable. The move places under one roof some of the most experienced professionals in the insurance industry; and means that whatever your insurance problem, you don't need to look far to find an inventive, competitive and complete solution. The implications for the Alexander Howden Group are important, too. It marks yet another stage in the planned growth of the group; a growth, for the record, that has more than doubled profits and earnings per share in the last four years alone. For both the group and its clients, it's a move in the right direction.



Alexander Howden Group Limited
22 Billiter Street, London EC3M 2SA. Telephone: 01-488 0808. Telex: 882171.

Notice of Redemption Transamerica Overseas Finance Corporation N.V.

3 1/4 % Guaranteed Sinking Fund Debentures Due 1986
NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of December 1, 1971, under which the above-designated Debentures are issued, \$1,000,000 aggregate principal amount of such Debentures of the following distinctive numbers has been drawn by lot for redemption on December 1, 1977 (herein sometimes referred to as the redemption date):

Table listing 1000 debenture numbers for redemption, organized in columns. The numbers range from 1000 to 1999, with some numbers appearing multiple times.

The Debentures specified above are to be redeemed for the Sinking Fund (\$1,000,000 principal amount) as a mandatory sinking fund payment and \$1,000,000 principal amount as an optional sinking fund payment (a) at the Corporate Trust Office of Citibank, N.A., Fiscal Agent under the Fiscal Agency Agreement referred to above, No. 111 Wall Street in the Borough of Manhattan, the City of New York, or (b) subject to any laws and regulations applicable thereto, at the main offices of Citibank, N.A. in London (Citibank House) and Frankfurt/Main, the main office of Amsterdam-Rotterdam Bank, N.V. in Amsterdam, the main office of Societe Generale de Banque S.A. in Brussels, the main office of Banca d'America e d'Italia in Milan, the main office of Banque de Paris et des Pays-Bas and Compagnie Europeenne de Banque in Paris, and the main office of Banque de Paris et des Pays-Bas pour le Grand-Duché de Luxembourg in Luxembourg. Payments at the offices referred to in (b) above will be made by a United States dollar check drawn on a bank in New York City or by a transfer to a United States dollar account maintained by the payee with a bank in New York City, on December 1, 1977, the date on which they shall become due and payable, at the redemption price of 100 percent of the principal amount thereof, together with accrued interest to the date fixed for redemption. On and after the redemption date, interest on the said Debentures will cease to accrue, and, upon presentation and surrender of such Debentures with all coupons appertaining thereto maturing after the date fixed for redemption, payment will be made at the said redemption price out of the funds to be deposited with the Fiscal Agent.

Coupons due December 1, 1977 should be detached and presented for payment in the usual manner. For TRANSAMERICA OVERSEAS FINANCE CORPORATION N.V. By CITIBANK, N.A. Fiscal Agent

October 26, 1977

UNITED ENGINEERING INDUSTRIES

Unaudited results for the six months ended 31st July, 1977

Table showing financial results for United Engineering Industries Ltd. for six months ended 31st July 1977. It includes turnover, profits, and various deductions.

An Interim Dividend of 1.1106p per share net is now declared and will be paid on 10th December, 1977 to members on the register on 12 November, 1977. This compares with a net dividend of 3944p per share for the six months to 31st July, 1976 and a total dividend of 1.9888p per share for the year ended 31st January, 1977. The Board wishes to announce that it has been informed by the controlling shareholders that they no longer wish to continue with the discussions which may have led to an offer being made for the share capital of the Company. In view of the current satisfactory level of trading and the improvement in liquidity, it is your Board's intention to increase the total dividend payable for the year ended 31st January, 1978 by the maximum amount recommended by the Treasury.

UNITED ENGINEERING INDUSTRIES LIMITED

TODAY, COCA-COLA IS MOVING OUT OF MILTON KEYNES.

18 months ago, the new canning plant for Coca-Cola was merely a twinkle in someone's eye.

Yesterday it opened, in Milton Keynes.

And today, cans of Coke are on their way to destinations throughout Britain.

Why did The Coca-Cola Export Corporation choose Milton Keynes? Easy.

They wanted good communications. We're under 1 mile from the M1, midway between London and Birmingham.

They wanted space. We gave them 10 acres, on which they built a 96,000 sq. ft. plant.

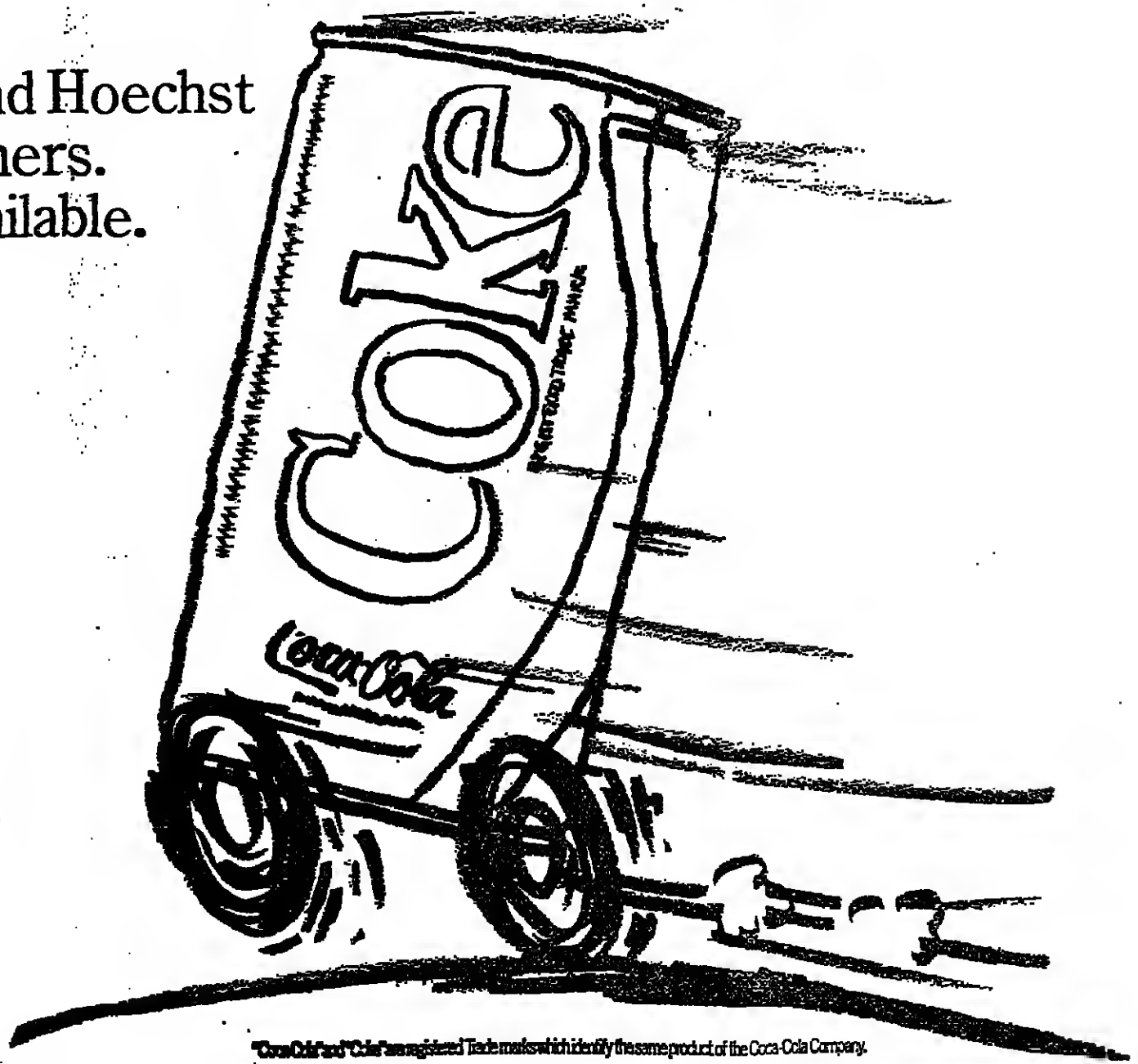
They wanted a happy, contented workforce. We had the workforce available, and Milton Keynes has no rival as far as housing and environment are concerned.

A spokesman for The Coca-Cola Export Corporation said: "The important factors were the fine road and rail connections, the ready availability of good housing and amenities in the town."

The Coca-Cola Company aren't the only people to see the benefits.

Rank Xerox, Volkswagen and Hoechst are here, too, along with many others.

However, space is still available.



HOME NEWS

Recession in steel hits U.K. harder

BRITISH steelmakers are among the worst-hit by the world steel slump, according to the latest survey of the International Iron and Steel Institute, which monitors 29 western nations.

The big steelmakers of Europe, the U.S. and Japan, are all losing business to the smaller steelmaking nations as the international recession drags on.

British production of crude steel in the first nine months of this year was 5.8 per cent less than during the same period last year.

The total crude steel production of the original European Community countries—France, West Germany, Holland, Belgium, Luxembourg, and Italy—was 5.4 per cent below the first nine months of last year. United States production was 4.6 per cent, and Japanese produc-

tion 1.7 per cent lower for the period.

Steel production throughout the Western world in the first nine months was 327m. tonnes—nearly 3 per cent below the level of the previous year.

The new figures show that the steel industries of the developing nations are gaining during the recession against the established steelmaking nations. Output by the smaller steelmaking nations rose by almost 3 per cent in the first nine months of this year compared with the same period in 1976.

The decline in the fortunes of the British steel industry is resulting in losses of about £1m. a day by British Steel. Proposals for a restructuring of the corporation's investment programme are expected to be put to the Government by Sir

Charles Villiers, chairman, before Parliament reassembles next month.

They will be matched against Whitehall's own conclusions about how to tackle British Steel's mounting losses, likely to reach £500m. in this financial year.

Mr. Eric Varley, the Industry Secretary, is likely to make a statement on British Steel to the Commons after the reports from the corporation and Whitehall have been matched.

No formal plans have yet been made for him to intervene in the mounting steel crisis. But the behind-the-scenes work being done on the ailing corporation together with the certainty that many questions on the steel crisis will be put by MPs as soon as Parliament re-assembles, are expected to force such a decision on him.

Accountants seek lessons from inspectors' reports

BY MICHAEL LAFFERTY

THE FIRST public statements to be issued by the English Institute of Chartered Accountants in cases where auditors and accountants have been criticised in Department of Trade reports were published yesterday. It follows a similar initiative launched by the Scottish Institute of Chartered Accountants a few months ago.

In future the Institute plans to issue public statements after it has examined such criticisms, apparently on the lines of those currently issued from time to time by the Takeover Panel on City matters.

Yesterday's announcement was accompanied by statements dealing with Department of Trade reports on a company called Bernard Russell, and another called John Willment (Automobiles), which went into receivership in 1974.

A third statement, which had been expected to disagree with criticisms of the auditors, Peat Marwick Mitchell, in the Lorrho inspectors' report, was not ready in time for the meeting.

The two statements are notable for their leniency. Instead of criticising or censuring the accountants or auditors concerned, their emphasis is on the lessons which can be learned from each case. As such they differ considerably from the Scottish statements, where in the Scottish and Universal Investments affair, for example, a £5m. error in the accounts, in the Bernard Russell case, where two small firms of joint

auditors were found in the inspectors' report to have "failed to carry out their duties" throughout the company's history, no further action is to be taken.

The committee found it difficult, in the light of conflicting evidence and the time that had elapsed, to determine or apportion the blame for any particular audit failures and concluded that the evidence available to it was not such as would support the preferring of a formal complaint against any individual to the disciplinary committee," the statement said.

In the John Willment case, the Institute says that the conduct of two chartered accountant non-executive directors, Mr. S. J. Lambert and Mr. A. J. Richards, was not satisfactory.

However, "in the absence of any official guidance on the matter at the time and in view of the possible effect of hindsight on the committee's view the committee decided to take no further action."

It is not thought to be a coincidence that the Institute's new initiative, limited though it may be, comes only a few weeks before publication of its report of the Cross Committee of Inquiry into regulation of the profession.

Although this is not expected to recommend any dramatic changes many senior accountants accept that some degree of statutory backing will be necessary if the profession is to be seen to be putting its house in order.

Editorial Comment, Page 20

Football fans can buy shares

By John Brennan

SUPPORTERS of Norwich City Football Club have a rare opportunity next month to buy shares in the club.

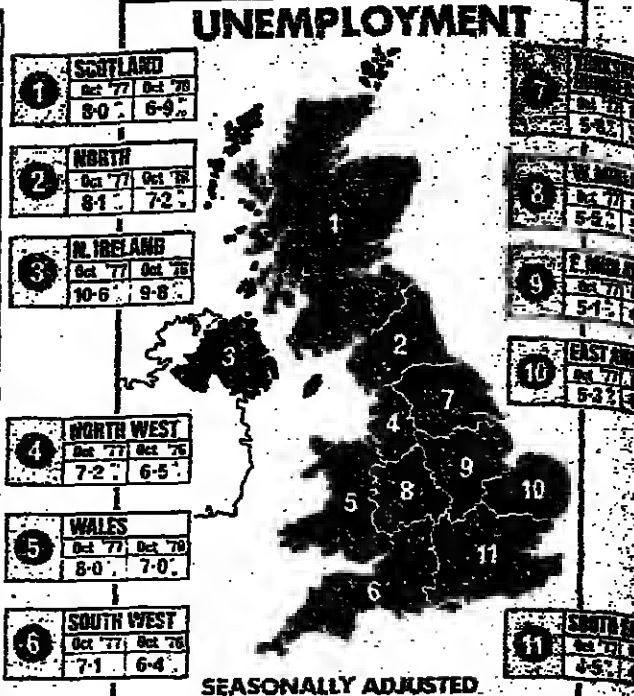
The fourth largest shareholding in the club, owned by the trustees of the late Captain E. H. Barclay, is to be broken into 30 lots of 50 shares and sold at public auction on November 4 in Norwich's Royal Hotel.

There is expected to be considerable local interest in the sale, which is the first major public disposal of club shares for several years.

Interest in the auction is expected to be increased by Norwich's recent success. The club is having an unusually good season and stands seventh in the first division.

Savills, the auctioneers handling the sale, said that a substantial offer for all 1,500 shares, which have a nominal value of £1, had been received.

Capt. Barclay's trustees want to press ahead with the auction to give Norwich's fans a chance to take advantage of ticket concessions attached to the shares. Holders of stock have the right to buy a season ticket—which can prove hard to come by normally—for every nominal £10 worth they have.



The 13,000 fall in adult unemployment in the last month, on a seasonally-adjusted basis, masked a further widening in the regional differences. Unemployment rose in Northern and South-West England, Wales and Scotland last month, while the West Midlands was the main area where there was an above average decline. Indeed, since the underlying jobless trend started to rise again in mid-May, the rise in unemployment has been much sharper in the regions with a traditionally high rate. There has been a 1.2 per cent increase in Wales and a 0.8 per cent rise in Northern England compared with an 8.1 per cent increase in the U.K. as a whole and an 8.4 per cent rise in the South-East.

Big freight company sold again

By Ian Hargreaves, Transport Correspondent

ALLTRANSPORT International Group, one of Britain's largest freight forwarders, has changed hands for the second time in four years.

Alltransport became part of the Monie Carlo-based Vlasov group when the latter acquired Shipping International Holdings in 1973. Yesterday its re-sale to a Dutch investment company, Roelbosch Holdings BV, was announced.

No changes in the British management structure, its staffing levels, or its basic areas of operation are proposed. Mr. Roy Branks, the chairman, said last night that he believed the change in ownership would increase investment.

In the past three years, Alltransport's net trading profits have been stuck at around £250,000, although turnover increased from £25m. to an estimated £30m. this year.

Most of the group's pressures are attributed to high interest charges and the rapidly increasing replacement costs for road freight vehicles.

Local growth urged for Merseyside

BY RHYS DAVID

MERSEYSIDE must look to locally generated growth to counteract persistent unemployment, the decline in traditional industry and limited prospects from incoming industry, according to a report drawn up for the Manpower Services Commission.

The report, discussed at a meeting of the MSC in Liverpool yesterday, points to structural weaknesses in the area, including the decline of port-related industries, the predominance of manufacturing companies with poor prospects for employment growth and the slow increase in jobs in the local service sector.

It points out, too, that the population is declining and many of those leaving the area have been young and skilled. The decline of industry and lack of investment has left a generally poor environment unlikely to attract workers and investors.

The report concludes that the area must place greater emphasis on locally generated growth, but the difficulties of encouraging this must not be underestimated.

It says that small and medium businesses should be helped to train labour for expansion projects and be offered improvements in the quality of training for management.

Local growth urged for Merseyside

The report recommends aid to encourage larger firms, the diversification of assistance for individuals, groups and companies, and the creation of new small businesses, with larger companies contributing "umbrellas" of staff and resources to get them under way.

The MSC and Merseyside County Council should tap entrepreneurial talent by holding a local public competition for new business proposals, the report says. The prize would take the form of substantial help in starting the winning project.

Help should also be given to enable training for self-employment in the area, the MSC and the County Council should set together to identify the needs of new businesses, products which could be sold locally, provisions of capital and premises, and the type of training required.

Footwear move

THE Department of Industry said yesterday that K. Shoemakers is to occupy terrace unit premises of 2,500 square feet built by English Industrial Estates Corporation for the Department at Barrow-in-Furness.

Delay of 10 years 'would not harm nuclear plans'

BY IAN BREACH

A DECISION on whether to build a thermal-oxide reprocessing plant could be delayed for 10 years without harm to any future nuclear power programme in Britain. Such a delay "will do nothing to aggravate the admitted difficult problem of waste storage," Mr. Raymond Kidwell, QC, said yesterday at the Windscale public inquiry.

Economic and energy justifications for the plant had not stood up to examination.

On behalf of Friends of the Earth Mr. Kidwell said that there were no good reasons why the inspector, Mr. Justice Parker, and his two assessors should feel their hands were forced on the issues. The tribunal need not make what would be an irrevocable decision.

British Nuclear Fuels had painted "a gloomy picture of potential shortage of electricity" if the new plant for which it had sought planning permission were not to be built. But no practical programme of, for instance, fast breeder reactors would be affected by whether the thermal oxide plant were built.

Friends were not opposed, as some were to the storage of nuclear wastes in granite mountains or beneath the ocean bed. It was generally agreed that the problems of engineering and site selection should have been solved by the year 2000.

Tax cuts even out, says Howe

BY DAVID FREUD, INDUSTRIAL STAFF

TO-DAY'S mini-Budget will relieve income tax by little more than the amount that the Chancellor would be forced to concede anyway in the next spring Budget, claimed Sir Geoffrey Howe, the Shadow Chancellor, yesterday.

Sir Geoffrey told a London Chamber of Commerce and Industry lunch that he had received a letter from Mr. Denis Healey, the Chancellor, that morning, stating that allowances would be increased at a cost to the Exchequer of £70m. to offset the inflation between January and September this year.

"We must never forget that Mr. Healey has now been obliged by Parliament to adjust tax allowances each year so as to offset the effects of inflation and to prevent the tax burden being increased by stealth," he said.

"This means that in his next spring Budget Mr. Healey would be obliged, simply to correct for inflation to that date, to cut taxes by about £1bn. So to-morrow's exercise should be regarded as a modest acceleration of the change that Mr. Healey would in any event be obliged to make at Easter."

Mr. Healey would need to reduce the total burden of income tax by £5bn. to restore the position he "inherited," said Sir Geoffrey.

Other targets necessary to "restore the standards of four years ago" included reduction of the number of unemployed by almost 1m. and a four per cent increase in industrial production. More important than any fiscal changes was a long-term strategy encompassing three needs: "We need a period of stability—of less institutional change; less upheaval; and less legislation, for the sake of legislation. We need a reduction in the burden of direct tax payment, on savings and on profits. Finally, the Government should mount an onslaught on the new work of controls and legislation which they have heaped upon trade and industry."

Reduce standard rate to 33%, managers urge

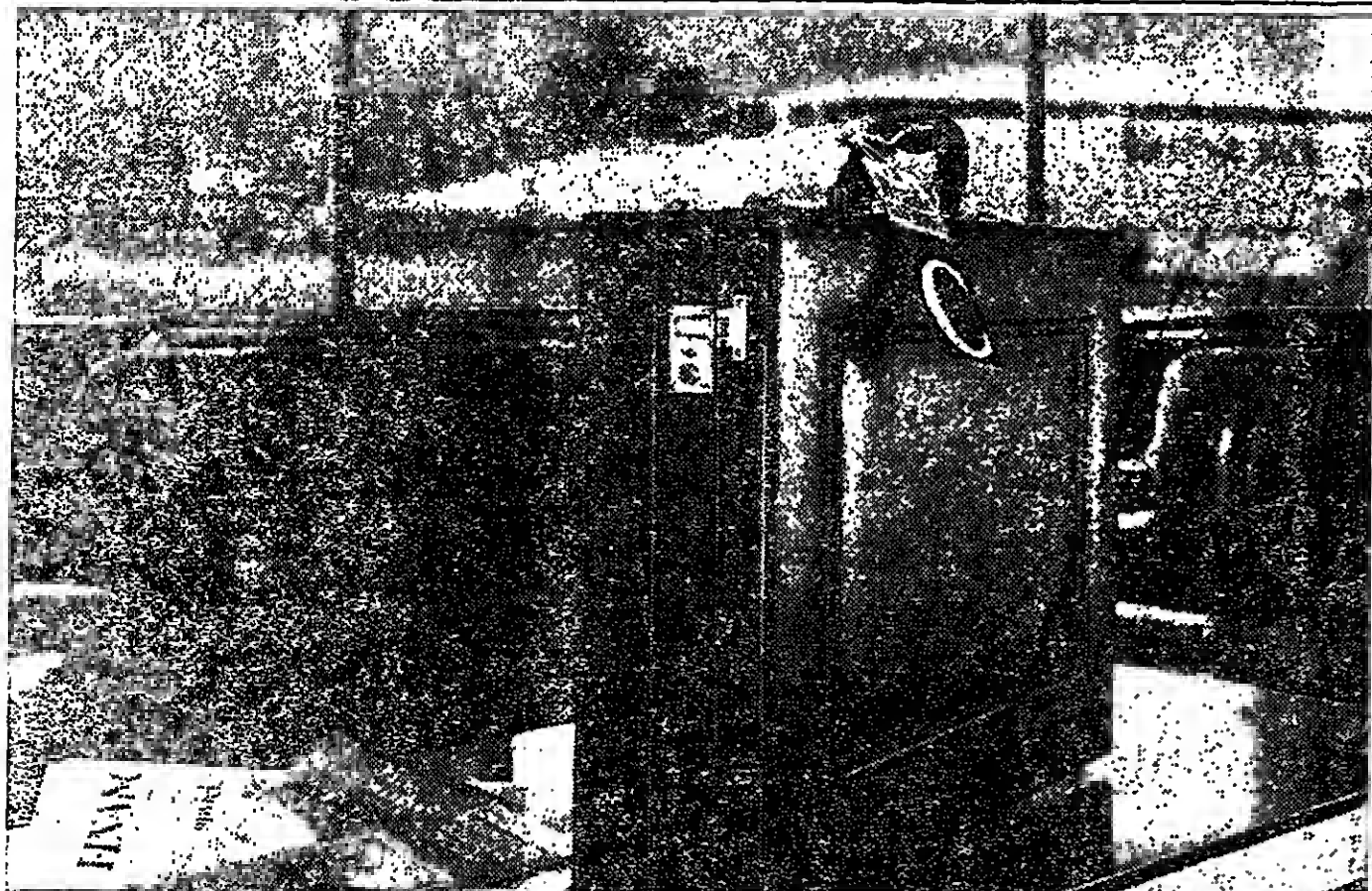
BY OUR ECONOMICS STAFF

A REDUCTION in the standard rate of income-tax from 34 to 33 per cent as a "minimum target" and a further concession concentrated on income-tax and allowances were called for almost 1m. in the next spring Budget, Mr. Healey would be obliged, simply to correct for inflation to that date, to cut taxes by about £1bn. So to-morrow's exercise should be regarded as a modest acceleration of the change that Mr. Healey would in any event be obliged to make at Easter.

Mr. Healey would need to reduce the total burden of income tax by £5bn. to restore the position he "inherited," said Sir Geoffrey.

Other targets necessary to "restore the standards of four years ago" included reduction of the number of unemployed by almost 1m. and a four per cent increase in industrial production. More important than any fiscal changes was a long-term strategy encompassing three needs: "We need a period of stability—of less institutional change; less upheaval; and less legislation, for the sake of legislation. We need a reduction in the burden of direct tax payment, on savings and on profits. Finally, the Government should mount an onslaught on the new work of controls and legislation which they have heaped upon trade and industry."

Mr. Closs added: "The current position shows that there was a need to cut the standard rate to 33 per cent. In the April Budget that will continue the modest but welcome changes in direct tax that were introduced in the April Budget."



This man aims to win record export orders for his company this quarter

We aim to give him all the help he needs

What's the real difference between one bank and another? The size of the balance sheet? Or the quality of the service?

You probably know Coutts has a great tradition of personal service to private customers.

You may not know we have a great tradition of giving expert, efficient and highly personal service to corporate customers as well.

It's a service that has helped build businesses and export order books for generations because we are small enough to take decisions quickly; big enough to handle overseas transactions with a minimum of fuss or delay; and professional enough to supply accurate information on any market anywhere in the world.

In particular it has won us a reputation for our foreign exchange dealings, where we have proved that speed and flexibility, allied to competitive rates, are more than a match for size.

If you think these are qualities needed to help your company grow contact John Acheson at Coutts. You may find they apply to many other situations as well.



Coutts & Co

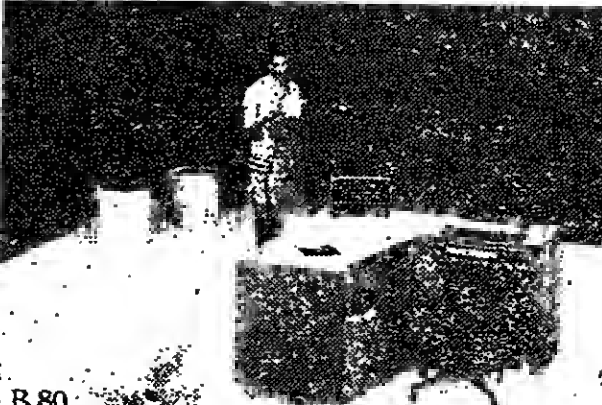
Corporate service based on a great personal tradition

15, Suffolk Street, London SW1X 4HE Telephone: 01-536 7711

Talk to Burroughs about small computers that provide large system benefits.

They can do a lot for your organization!

- These systems are the smaller members of Burroughs "800" family of computer systems, a family which extends all the way to the very large B 7800. However, the B 30 and B 800 are designed to uniquely meet the needs of both the smallest and largest organizations.
- Should your needs grow further, you can change your system and continue to use the high-level programming languages as on the B 80 and B 800. This commonality also extends to operating procedures, and together they contribute to Burroughs consistently maintaining high customer loyalty.



B 80

- The B 80 and B 800 satisfy larger organizations seeking to decentralize or distribute data processing power within their operations. Reports are available for immediate action at local or regional levels and, through data communications networks, headquarters management can receive the information needed for overall operations analysis and control.
- The systems are supported by Burroughs field engineering, systems analysis, design teams and Customer Support Centers located throughout the world.
- The B 80 and B 800 economically provide large computer features which automatically control all system resources, relieve your operator of dozens of tasks required by other manufacturers' computers and speed the workflow.
- Burroughs Business Management System program products let the B 80 and B 800 begin work soon after they arrive in your office. BMS application programs are available for practically every type of organization, provide fast and comprehensive management information, and are especially important to those usually not employing a professional programming staff.
- The B 80 and B 800 can grow easily and economically with your needs since they offer data communications capabilities and employ a broad, common range of printers, magnetic storage units and other peripheral products.



B 800

Large or small, talk to Burroughs about B 80 and B 800 computer systems—they can do a lot for your organization!

For information, contact your local Burroughs office.

Burroughs



Handwritten signature or note in a box.

HOME NEWS

Inner cities 'must have economies revived'

BY OUR BUILDING CORRESPONDENT

THE REGENERATION of inner city areas involved not only physical renewal but the revival of their economies...

New code of conduct for directors in own share deals

BY MARGARET REID

A NEW code of conduct for directors dealing in the shares of their own companies was published yesterday...

TV tube makers distrustful of incursion by Hitachi

BY JOHN LLOYD

MULLARD, the sole remaining British-based TV tube manufacturer, has poured cold water on the suggestion that it might supply a new type of tube for Hitachi...

Mothercare wins award

BY OUR MARKETING EDITOR

MOTHERCARE, which recently branched into the U.S. with its acquisition of a chain of 110 stores, has won the Institute of Marketing's 1977 national marketing award...

Strike cuts air traffic

FINANCIAL TIMES REPORTER

A BALLOT of the 850 air traffic control assistants, whose strike has lasted eight weeks, will go ahead over the next week on new pay offers...

£3bn savings from life assurance

BY ERIC SHORT

THE life assurance industry last year contributed £3.29bn towards new savings in the United Kingdom. Figures were issued yesterday by the three life companies associations...

BP sues Texas oilman over Libyan benefits

BY KEVIN DONE

BRITISH PETROLEUM is suing Mr. Nelson Bunker Hunt, a leading Texas oilman, for damages Hunt is contesting the action...

Steel acts in Scott case

BY RUPERT CORNWELL, LOBBY STAFF

MR. SAM SILKIN, the Attorney-General, has been urged by Mr. David Steel, to ensure that police inquiries into the latest allegations over the Norman Scott affair be carried out as swiftly as possible...

Cable ship 'for U.K. yard'

BY OUR SHIPPING CORRESPONDENT

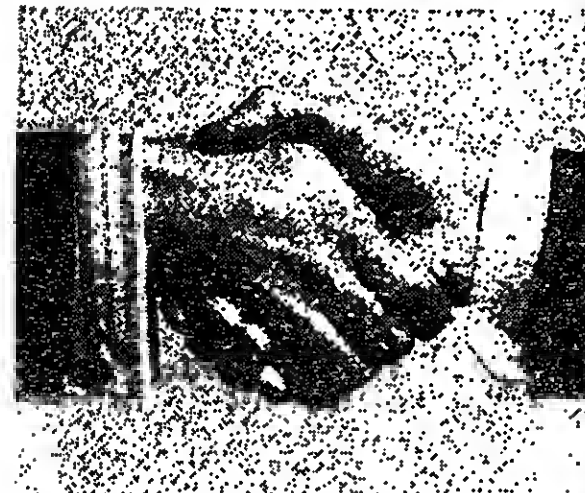
AN ORDER for a £10m. cable ship is almost certain to be placed with a British shipyard by Cable and Wireless, the State-owned telecommunications company...

£1,000 lottery for GLC

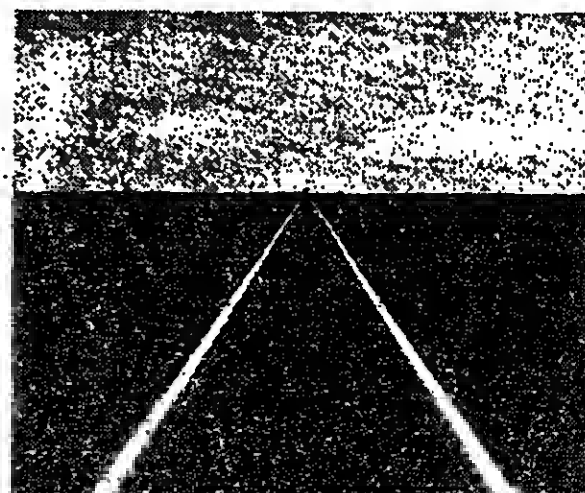
FINANCIAL TIMES REPORTER

A WEEKLY LOTTERY for £1,000 prizes run by the Greater London Council is to begin in the spring, the GLC's Policy and Resources Committee decided yesterday...

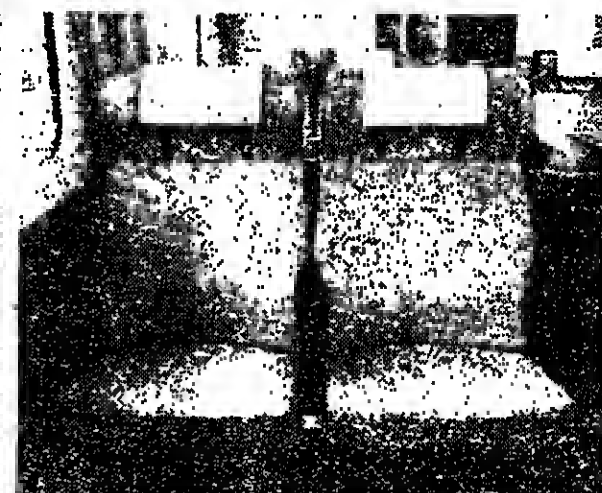
Look what you gain when you travel by train



A chance to do better business face to face.



Faster travel.



Greater comfort.



The opportunity to work while you travel.



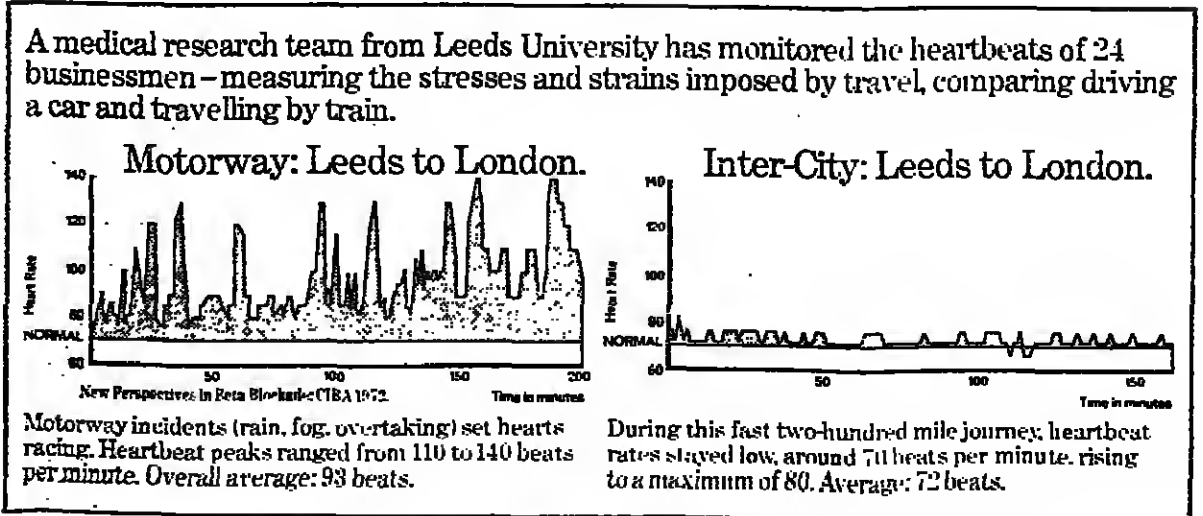
A hot meal, a drink or a snack on most trains.



A car at the other end (at over 60 stations).



More relaxation.



Stress-free travel.

When you travel by Inter-City, you can forget about your problems. You won't hit any traffic on the way. You get time to have a meal, catch up with work and relax in real comfort...



Inter-City makes the going easy

(All of these notes and loans having been placed, this advertisement appears as a matter of record only.)

COMMONWEALTH OF AUSTRALIA

DM 1,000,000,000

comprising

- DM 250,000,000 5¼% Notes of 1977/1982
- DM 250,000,000 5½% Loan of 1977/1983
- DM 500,000,000 6 % Loan of 1977/1985

Deutsche Bank
Aktiengesellschaft

New Issue
October 26, 1977

This advertisement appears
as a matter of record only

COMMONWEALTH OF AUSTRALIA

DM 250,000,000

5¾% Deutsche Mark Bearer Bonds of 1977/1989

Offering price: 99 1/8 %
 Interest: 5 7/8 % p. a., payable annually on November 1 of each year
 Maturity: November 1, 1989
 Redemption: from November 1, 1988 through purchases in the market or drawings by lot of series at par
 Listing: Frankfurt am Main

Deutsche Bank
Aktiengesellschaft

Amsterdam-Rotterdam Bank N.V.
 Commerzbank
 Aktiengesellschaft
 Kfölder, Peabody International
 Limited
 Union Bank of Switzerland (Securities)
 Limited

Banque Bruxelles Lambert S.A.
 Credit Suisse White Weld
 Limited
 Morgan Stanley International
 Limited

Banque Nationale de Paris
 Dresdner Bank
 Aktiengesellschaft
 Swiss Bank Corporation (Overseas)
 Limited
 Westdeutsche Landesbank
 Girozentrale

Alahli Bank of Kuwait (K.S.C.)

Algemene Bank Nederland N.V.

A. E. Ames & Co. Limited

Amex Bencom Limited

Arnhold and S. Bleichroeder, Inc.

Banque de Indochine et de Suez

Banca Commerciale Italiana

Banca del Gottardo

Bank of America International Limited

Bank Julius Baer International Limited

Bank für Gemeinwirtschaft Aktiengesellschaft

Bank Leu International Ltd.

Bank Mees & Hope NV

The Bank of Tokyo (Holland) N.V.

Banque Arabie et Internationale d'Investissement (B.A.I.I.)

Banque Française du Commerce Extérieur

Banque Générale du Luxembourg S.A.

Banque de l'Indochine et de Suez

Banque Internationale à Luxembourg S.A.

Banque de Neufize, Schlumberger, Mallet

Banque de Paris et des Pays-Bas

Banque Populaire Suisse S.A. Luxembourg

Banque Rothschild

Baring Brothers & Co. Limited

H. Albert de Bary & Co. N.V.

Bayrische Hypotheken- und Wechsel-Bank

Bayrische Landesbank Girozentrale

Bayerische Vereinsbank

Berliner Bank Aktiengesellschaft

Berliner Handels- und Frankfurter Bank

Caisse des Dépôts et Consignations

Casimiro & Co.

Chase Manhattan Limited

Christiania Bank og Kreditkasse

Citicorp International Group

Compagnie Financière de la Deutsche Bank AG

County Bank Limited

Creditanstalt - Bankverein

Credit Commercial de France

Credit Industriel d'Alsace et de Lorraine

Credit Industriel et Commercial

Credit Lyonnais

Dahwa Europe N.V.

Don Danske Bank af 1871 Aktieselskab

Den Danske Provinsbank A/S

Richard Daus & Co. Bankiers

Delbrück & Co.

Deutsche Girozentrale - Deutsche Kommunalfbank - Aktiengesellschaft

Dewazay & Associés International S.C.S.

DG Bank Deutsche Genossenschaftsbank

Effektbank-Warburg Aktiengesellschaft

Eurobilitaire S.p.A.

Euro-Pacific Finance Corporation Limited

European Banking Company Limited

First Chicago Incorporated

Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft

Goldman Sachs International Corp.

Greenfields Incorporated

Groupement des Banquiers Privés Genevois

Hambros Bank Limited

Hessische Landesbank - Girozentrale

Hill Samuel & Co. Limited

Industriebank von Japan (Deutschland) Aktiengesellschaft

Jardine Fleming & Company Limited

Kjøbenhavns Handelsbank

Kleinwort, Benson Limited

Kredietbank N.V.

Kreditbank S.A. Luxembourggeoise

Kuhn, Loeb & Co. International

Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)

Kuwait International Investment Co.S.A.L.

Kuwait Investment Company (S.A.K.)

Lazard Brothers & Co. Paris

Lazard Frères et Cie

Lazard Frères & Co.

McCleod, Young, Weir International

Lloyds Bank International Limited

Manufacturers Hanover Limited

Merck, Finck & Co.

Merrill Lynch International & Co.

S. Metzler soel. Sohn & Co.

Samuel Montagu & Co. Limited

Morgan Grenfell & Co. Limited

New Japan Securities Co., Ltd.

The Nikko Securities Co., (Europe) Ltd.

Nomura Europa N.V.

Norddeutsche Landesbank Girozentrale

Den norske Creditbank

Sel. Oppenheim Jr. & Cie.

Ott Minnett Ltd.

Orion Bank Limited

Pierson, Hedding & Pierson N.V.

Potter Partners

Privatbanken Aktiengesellschaft

Renouf & Co.

Rothschild Bank AG

N. M. Rothschild & Sons Limited

Salomon Brothers International Limited

J. Henry Schroder Wegg & Co. Limited

Schröder, Münchmeyer, Hengst & Co. Hamburg

Singer & Friedlander Limited

Skandinaviska Enskilda Banken

Smith Barney, Ham's Upham & Co. New York

Société Générale

Société Générale de Banque S.A.

Strauss, Yumbull & Co.

Svenska Handelsbanken

Trinkaus & Burkhart

UBS-DB Corporation

Verbond Schweizerischer Kantonalbanken

Verkehrs- und Westbank Aktiengesellschaft

M. M. Warburg-Berndtman, Wirtz & Co.

S. G. Warburg & Co. Ltd.

Wardley Limited

J. D. Wero & Son

Westfalebank Aktiengesellschaft

Wood Gandy Limited

Yamaichi International (Europe) Limited

LABOUR NEWS

Benn urges miners to accept scheme

BY OUR LABOUR EDITOR

PROPAGANDA for and against the proposed miners' incentive scheme reached a peak yesterday, the eve of a two-day pithead ballot on a plan recommended by the national executive of the National Union of Mineworkers.

Mr. Anthony Wedgwood Benn, Energy Secretary, issued a statement asking the 250,000 miners to vote for the scheme. Countering arguments used by the Left, he said that it was "designed to avoid the evils of the past piece-work schemes" and was based on "machine power and not muscle power."

It would support the longer-term expansion of the industry, and offered the prospect of a pay increase now for all mineworkers.

Mr. Ray Hunter, the National Coal Board's western area director, said that if the winter was severe the industry would be in "dead trouble" in trying to meet demand for domestic heating unless the incentive scheme was adopted. Stocks of domestic coal in the area were low.

On the other side, leaders of Yorkshire miners—the largest of the union's areas—said that the

scheme meant that top-rated faceworkers would have to work 8 1/2 per cent harder to reach the "standard task" and qualify for the £23.50 a week bonus offered by the Board.

Their newspaper, the Yorkshire Miners, said that the idea of the scheme was to attract men to the most profitable pits and, eventually, close the less profitable.

Advertisements placed by the Yorkshire area in northern editions of some newspapers reinforced the message. But they brought a jolly reaction from the Lancashire area of the NUM, whose area secretary, Mr. Sid Vincent, described them as a "tissue of lies."

Mr. Vincent said that the Lancashire area executive had tried to have the ballot stopped while statements in the advertisements were refused, but it had been unable to contact the appropriate national officers of the union.

The Kenil area, another Left-wing stronghold, failed last week on appeal to secure a court injunction stopping the ballot on the grounds that the national executive's 13-11 decision flouted

reference.

The Government and the Coal Board both calculate that as well as increasing output and justifying a huge investment programme for the industry—acceptance of piece-work incentives will defuse the claim for a 90 per cent pay rise from November 1, which is about to be submitted by the union.

The claim "seeks to achieve" a wage of £135 a week for the faceworkers and could be serious embarrassment because it challenges both the Government's 10 per cent ceiling and the TUC's 12-month rule.

The miners' last settlement, under Stage Two, was to March this year.

Mr. Joe Whelan, financial secretary of the Nottinghamshire area and a prominent Communist in the union's national executive, has been elected area secretary in succession to Mr. Len Martin.

Nottinghamshire is the second largest NUM area and its president, Mr. Len Clarke, is a leading "moderate" on the executive.

Arbitration committee endorses 32% rise

By Our Labour Staff

A NORTH LONDON film transport company which earlier this year gave its lorry drivers a 32 per cent pay increase has been told that the award is not in breach of Government pay policy.

The Central Arbitration Committee confirmed yesterday that the pay award by FTS (Great Britain) for its drivers in the Transport and General Workers' Union had been "well founded."

The increase, which was agreed on by the management and union in August, is to be backdated to March and with extra overtime is expected to cost the company about £70,000 in back pay.

The company said yesterday that it had always been confident that the pay increase could be justified. Wages for its drivers had fallen far behind those being paid by comparable employers in the industry.

The pay increase already agreed was the same "almost in penny" as that stipulated in the central arbitration committee award to bring FTS drivers' wages in line with the minimum elsewhere.

Left behind

The Central Arbitration Committee agreed that the basic wage for the Phase Two supplements of the last two years, should be increased from £28 to £31 a week for heavy goods vehicle drivers in line with the Road Hauliers' Association accepted national rate.

Mr. Colin Perry, chairman and managing director of FTS, said that pay for the company's drivers had been left behind early in 1975 and they had not been enough time to catch up before the introduction of Phase One of the Government's pay restraint policy.

The 32 per cent increase had been appearing in the wage packets since last August but the company had to wait for official approval before being able to pass the extra cost on to customers.

The company was now faced with a burden in back pay which it would be unable to recoup on past contracts.

Shop workers to vote

Supermarket workers are to vote on whether to accept an offer of a 10 per cent pay rise.

The employers originally offered their 100,000 workers an increase of under 7 per cent.

The Union of Shop Distributive and Allied Workers said that the original offer would have added only £2.50 to the standard pay of a shop assistant, while the final offer was worth nearly £4.00 to the average assistant.

Firemen claim £20, police 'dissatisfied' with reported offer

BY DAVID CHURCHILL AND CHRISTOPHER DUNN

THE GOVERNMENT faced a new pay challenge yesterday from the public sector when leaders of the 30,000 firemen submitted a 30 per cent claim for implementation on Monday week.

This came as police leaders indicated their dissatisfaction at reports that the Cabinet had sanctioned only a 10 per cent pay offer when the Police Federation meet in Merlon lives the Home Secretary, to-morrow.

Mr. James Jardine, Police Federation chairman, said last night that although the Home Office had not disclosed to him any pay decision by the Cabinet, a 10 per cent settlement would not be enough to satisfy their pay demands or stop the drain on police manpower. The federation has submitted a claim for rises of up to 104 per cent.

The firemen's claim was based on bringing firemen in line with average male earnings plus an extra 10 per cent for the skills and dangers of the job. It would mean an average increase of about £20 on basic, ranging from £80.26, and £73.27 a week in London.

The union hopes that a draft report on regarding of the status of firemen will back up its claim. This will be discussed at further talks next week. But some, notably those from the militant Strathclyde branch, have already threatened strike action if the claim is not met in full.

To-night Mr. Rees will face a stormy reception when he speaks at the annual meeting of the Police Federation's Metropolitan branch. Earlier this year his speech at the federation's main annual conference was greeted in total silence, but last night police leaders were predicting a noisier reception for him.

Mr. Rees told a meeting of the Westminster Chamber of Commerce yesterday that he was completely behind the police force in its "fight to beat the and dangers of the job. It would mean an average increase of about £20 on basic, ranging from £80.26, and £73.27 a week in London.

Further voting on the company's pay offer, which also offers a productivity deal worth another £7 a week, is expected to take place to-day at Luton and Dunstable. At Luton, production was halted yesterday in parts of the factory because of the strike affecting about 3,000 skilled workers.

British Leyland was forced to stop production of Minis at Longbridge yesterday because of the continuing strike by 600 vehicle inspectors at the plant over an upgrading claim. More than 1,100 workers were laid off by the company last night because of the dispute.

As a deadlock continued yesterday at Chrysler's Linwood plant in Renfrewshire, which has been closed for six days over a row involving four inspectors, the company was accused of creating the dispute.

The charge was levelled by Mr. John Carry, shop stewards' convenor at the plant, Hauliers Association, payable from December, work for 150 companies in the South Staffordshire and Wiltshire areas. Mr. Alf Mycock, their leader, said: "If we don't get the increase, there'll be no end from the factories in the area."

Lorrymen demand 40%

BY OUR OWN CORRESPONDENT

About 6,000 lorry drivers threatened yesterday to shut large sections of West Midlands industry unless they were given a 40 per cent pay rise. They want an extra £25 a week, even though a union official has already accepted a 15 per cent rise from the Road

Printers may defy 12-month pay rule

By Pauline Clark, Labour Staff

UNION LEADERS of about 180,000 workers in several printing are planning open defiance of the 12-month rule in a new pay claim to be submitted shortly to the British Printing Industries Federation.

The size of the claim still has to be decided, but unions are hoping to have a formal submission ready for the employers' early next week to see if a proper clause contained in a national agreement of last August.

While discussion of a new claim is believed to have been the cause of some acrimony in the TUC printing industries committee, at least three of the major unions in the industry have agreed to be party to the move.

The Society of Graphical and Allied Trades (SOGAT), the biggest printing union with 194,000 members of which about 100,000 are estimated to be in general printing, will be making its submission jointly with the National Association of Operative Printers, Graphical and Media Personnel (NATOPGA).

The process workers' union, SLADE, will also be involved in the new pay claim although as a separate signatory to the National Printing Industries Federation agreement.

It is uncertain however whether the second biggest union in the industry, the 108,000-strong National Graphical Association, will be supporting the claim. The union is believed to have shown some reluctance to the plan on the grounds that it would prefer to see any further pay negotiations general printers this year conducted at local rather than national level.

The main strength of the three unions apparently committed to making the new submission, however, is their united opposition to maintaining a 12-month cap between pay settlements. SOGAT was conspicuous in the minority which voted against the 12-month rule at the TUC conference in September while NATOPGA has since expelled members in a national ballot.

The British Printing Industries Federation indicated yesterday that while the unions would almost certainly be inviting direct confrontation with the Government, they might also meet some difficulties in justifying a new claim under the 12-month clause of the national agreement.

Pay rule row erupts again

THE controversial decision by the Engineering Union's leaders to cast their block vote at the annual TUC in favour of the 12-month rule caused another rumour within the union yesterday.

The union's final appeals court, meeting in Hove, was not allowed by the national executive to consider requests to have the leadership's action declared unconstitutional.

After what Mr. John Boyd, general secretary of the union's engineering section described last night as a very heated debate, the appeals court—a committee of lay members—decided to deplore the executive's action in refusing to pass on the correspondence.

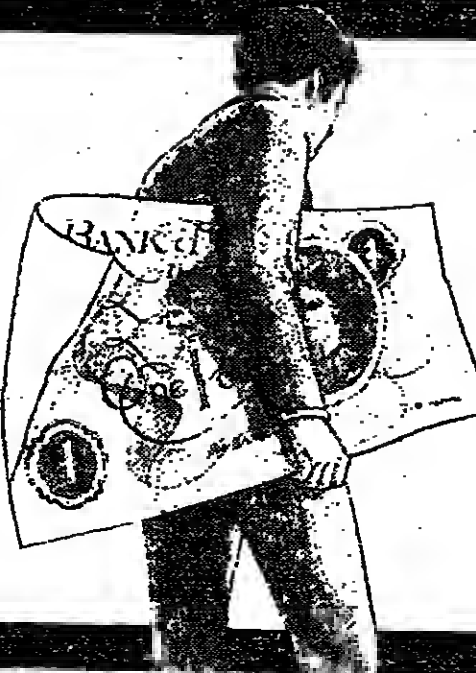
Mr. Boyd said that the executive had decided unanimously not to pass on letters of protest from the Sheffield district committee and from a South Yorkshire branch—his work of saying that this was a matter of policy and therefore not within the appeal court's jurisdiction.

At the TUC in Blackpool engineering section delegates made a public protest at Mr. Hugh Seaton, union president, cast the union's vote.

They said that the engineering section's own policy-making conference in May in effect had rejected the 12-month rule. The executive intervened that conference's decisions differently.

The row is certain to re-emerge next month at a recalled meeting of the engineering section conference.

"There's just been a small revaluation of the pound."



Sometimes, economic change can bring its problems.

For example, how to evaluate wage claims against varying profit margins. How to take your share of the National benefits without adding to inflation.

National economic policy is usually pre-determined, but you can make the changes necessary to your Company, quickly and more accurately, with a computer.

Whatever the economic fluctuations, be it in sterling or any other currency,

a computer can give you up-to-the-minute readings of the situation. And you can update that information, to get the most from every market.

Start talking computers to Sperry Univac now. There's a size and capacity that's exactly right for your business. Call our Marketing Director, or write to him at the address below. He has all the information you need.

The Marketing Director, Sperry Univac, Sperry Univac Centre, London NW10 8LS. Telephone: 01-961 2110

UNIVAC
COMPUTER SYSTEMS
SPERRY UNIVAC IS A DIVISION OF SPERRY RAND LIMITED.

Technical Page EDITED BY ARTHUR BENNETT AND TED SCHOETERS

METALWORKING

Production rate and finish improved

A method of machining hydraulic rams introduced by Grosvenor Hypower... Devised to provide a better finish and at the same time improve production rates...

Specially adapted roller-type burnishers are at the core of the process. These, says the company, can best be described as roller burnishers without an inner race...

In the case of the in-line developed by Grosvenor Hypower, the burnisher and single-point turning tool are installed in a special fixture...

SECURITY

Detects letter bombs

A FREE-standing desk-top mail scanner device made by Scansec Systems and marketed by Envoak does not use X-rays but is based on the assumption that some metal has hidden in letter bombs...



At this Glarry's fashion store in Birmingham, which notes the sales and first thing one of ten branches similarly equipped, the next morning prints warehouse picking lists and delivery notes...

COMPUTING

Where policy differs

WHILE OTHER countries in the industrialised world either have, or are developing, some sort of strategy in deal with the mix of communications and computing power that is becoming a 'nervous system' of society...

Usage Development Institute which drew up the much-discussed plan for transforming Japan into what has been called an 'Information Society'...

COMPONENTS

For faster wiring

A SNAP-TOGETHER building block system of nylon-moulded conductor or multi-strand flexible wire and cable clamping elements...

6.0, and 16 square mm. Single conductor or multi-strand flexible cables can be clamped without damaging individual strands...

Multi-motor protection

A RELAY which incorporates both instantaneous short circuit and normal thermal protection...

FINANCIAL TIMES

BRACKEN HOUSE, 10, CANNON STREET, LONDON EC4P 4BY. Telephone: 01-248 8000

EDITORIAL OFFICES Birmingham: George House, George Road. Tel: 021-434 8922

ADVERTISEMENTS OFFICES Birmingham: George House, George Road. Tel: 021-434 8922

LEGAL NOTICES

No. 001130 of 1977 In the HIGH COURT OF JUSTICE Chancery Division Companies Court...

COMPANY NOTICES

ANGLO AMERICAN CORPORATION GROUP ORANGE-FREE STATE GOLD MINING COMPANIES

A FINANCIAL TIMES SURVEY BRAZIL NOVEMBER 8 1977. The Financial Times is preparing to publish a survey on Brazil. The provisional editorial synopsis and date are set out below.

ENERGY

Power from the wind

WORLD OIL free-fall in 1973 years of experimentation behind 1974 precipitated an urgent review by Western industrialised nations of their energy resources...

INSTRUMENTS

Source of reference

SERIES 400 dc voltage references Model 412 incorporates a 6 decade Kelvin-Volt divider to give any voltage with 1 microvolt resolution up to 1V...

COMMUNICATIONS

Hand-held speech link

OFFERING four ubf channels at one watt output, the RC508 hand-held transmitter-receiver from Marconi Communications Systems...

LEGAL NOTICES

No. 002396 of 1977 In the HIGH COURT OF JUSTICE Chancery Division Companies Court...

LEGAL NOTICES

No. 003274 of 1977 In the HIGH COURT OF JUSTICE Chancery Division Companies Court...

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER. The content and publication dates of Surveys published in the Financial Times are subject to change at the discretion of the Editor.

APPEALS

ANCIENT MARINERS. Now sending out prospectus for 1978. Please acknowledge with a contribution to the Society's Welfare Fund.

MOTOR CARS

Notice to Holders of Barrer Depository Receipts. DAI NIPPON PRINTING CO. LTD.

PLANT AND MACHINERY. 100 FORK LIFT TRUCKS for sale. Clear immediate. Contact: Mechanical Handling Ltd.

The Management Page

Christopher Dunn on how a newcomer has shaken up the stagnant greenhouse business

Smashing into fragile territory

MANY PEOPLE scoff at advertising and marketing awards, saying there are too many of them, and that they seldom reflect commercial success.

But the Institute of Marketing's award made yesterday to Halls Homes and Gardens falls into a different category. The award goes to a company which in roughly three years has increased its share of the stagnant British greenhouse market from 3 to 25 per cent. It has done this by making a new product—the aluminium greenhouse—and marketing it through new outlets.

Profits have roughly doubled in the process to over £0.2m., and by the end of this year they should be over the £0.5m. mark.

The success comes from a combination of City flair and commercial logic. In 1972, Pentos, an investment holding company with an issued capital of £1.2m., run by Terry Maher, an accountant formerly at First National Finance, bought a 2 per cent stake in Austin-Hall, a far larger operation which specialised in system building (preconstructed units) and the garden leisure market. Mr. Maher, who was Austin-Hall's chairman, had built up close links with the company from his FNF days.

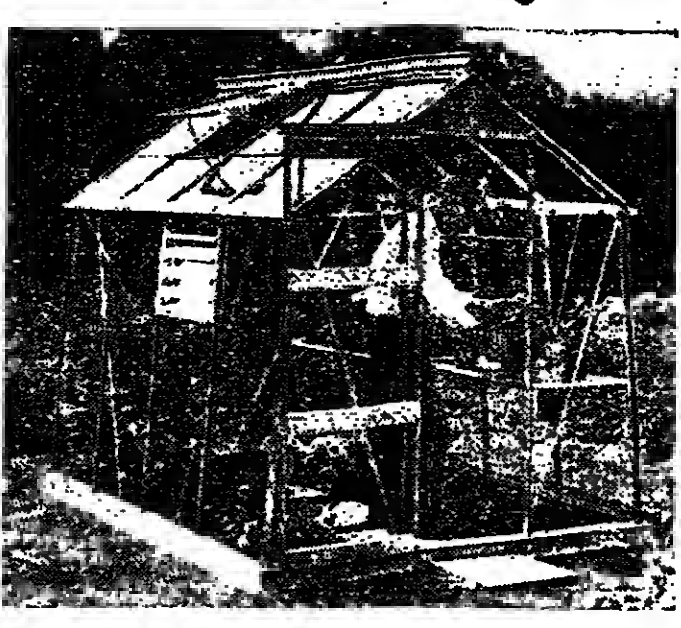
Pentos built the stake up to 12 per cent, and then managed to bid successfully for Austin-Hall. Austin-Hall was attractive because of the growth opportunities Pentos identified in the garden leisure field.

The more orthodox construction side was immediately hived off into a separate division, and has since done well in difficult conditions. At that stage, the greenhouse market was sluggish, selling about 150,000 units a year in wood, a material which was becoming increasingly expensive. Greenhouses were only available through mail order, or out-of-town garden centres. The market itself, as well as the product and the distribution method, seemed to be underexplored. According to Cyril Freedman, chief executive of Halls, less than 20 per cent of houses with gardens have greenhouses.

The Pentos annual reports tell most of the story of the next three years. In 1974, sales of wooden greenhouses fell because the price of cedar rose, and Halls began manufacturing its own aluminium greenhouses, the "Europa." Then it signed up with its first major retailer, Lewis's, which was very keen on the idea of selling aluminium greenhouses.

By 1975, the popularity of aluminium greenhouses had increased to such an extent that they now outsold the traditional product. Production facilities at Halls' Paddock Wood factory were expanded to cope with a four-fold increase in volume, and around this time, Debenhams began to take the "Europa."

The 1975 Pentos annual report claimed Halls now had the strongest distribution



A Halls greenhouse in intensive use

In the light of growing interest in home-produced food, the retailers could see that the demand for a product with good price-weight ratio would rise, despite being sold in an unfamiliar environment. They were therefore more ready to let manufacturers sell through competing outlets. So far, the annual market for greenhouses has probably not expanded much beyond its 150,000 units of three years ago. But it has been restructured, and Halls has seized a major share—which it hopes now to exploit by broadening the product range. Halls plans moves in two directions. Exports in 1976 rose



BRUSSELS

A tougher line on auditing

BY DAVID BUCHAN

A NEW body is about to grace the European institutional landscape—a European Court of Auditors—or rather it is an old institution in new clothes with new powers, for it replaces the existing audit board. The nomination of the nine members of the Court—one from each member state with Sir Norman Price who was chairman of the Inland Revenue from 1973-76, as the British nominee, was approved by the Council of Ministers on October 17. The Court is due to start work next month, and to produce its first annual audit (on the 1977 EEC budget) by July next year.

The Brussels commission, of course, has its internal controls: the authorising officers in the spending departments and a staff of about 100 in the financial control department. But the Treaty of Rome recognised the problem of "who will guard the guardians?" and the need for an external control by setting up the audit board. As the budget has grown (the commission proposes a figure of £8.3bn. next year) and the amount of real practice in agricultural spending (which still accounts for over 70 per cent of the budget) has increased, so has concern about the adequacy of this external control. The European Parliament in particular, which in the historic tradition of national parliaments, sees in the power of the purse the key to its future role, has pushed the need for reform.

Officials in Christopher Tugendhat's budget department point out that the board has never really had anything analytical or critical to say about agricultural spending, for instance, and argue that the clean bill that the audit board almost invariably gives the commission for its management of the budget would mean much more if it came from a more prestigious body.

Officials in Christopher Tugendhat's budget department point out that the board has never really had anything analytical or critical to say about agricultural spending, for instance, and argue that the clean bill that the audit board almost invariably gives the commission for its management of the budget would mean much more if it came from a more prestigious body.

Officials in Christopher Tugendhat's budget department point out that the board has never really had anything analytical or critical to say about agricultural spending, for instance, and argue that the clean bill that the audit board almost invariably gives the commission for its management of the budget would mean much more if it came from a more prestigious body.

Calibre of individuals

Though two countries, Belgium and Denmark, are keeping the same men in the audit court, clearly much of the hope placed in the new body will depend on the calibre of the individuals on the court. But despite the fact that the court will not be an ordinary one in the sense of being able to

STAMP OUT BAD DEBTS

HERE'S ONE SIMPLE WAY TO GET TO GRIPS WITH BAD DEBTS

JOIN THE UNITED ASSOCIATION FOR THE PROTECTION OF TRADE.

We'll help you extend credit with lower risk, keeping bad debts to an absolute minimum. And even if the worst happens our No Collection, No Charges debt recovery service comes to your rescue.

Get your FREE copy of our portfolio "The Simple Way to Low Risk Credit."

Ring Stan Cox on 01-686 5644 Or write to the address below.

United Association for the Protection of Trade
Zodiac House, 163 London Rd. Croydon, CR9 2SY

A new way to lift the legal fog

BY A. H. HERMANN

AT THE turn of the century the statute book contained only 203 pages and covered 51 Acts of Parliament. Now it contains thousands of verbose statutes and fills shelves of law libraries.

The combination of the plethora, obscurity and the everyday importance of these statutes—discussed in last Wednesday's column—has created a new industry which translates law from the mysterious language of the legislator into everyday words and phrases. Guidebooks came first, followed by teach-ins and conferences. Cassettes are the latest product from this vital new industry.

Mankind is said to be divided into two types. One, to which I belong, can take in new information better by seeing and reading. The other half, I am told, do better by hearing the spoken word. The cassette makers say you can listen to them profitably while driving a car, and there are some who recommend learning while you sleep.

You are unlikely to fall asleep while listening to the latest series of four cassettes on employment law. Not only is knowledge of employment law one of the keys to good industrial relations, but you may have a very personal concern with the rules—even a manager is an employee.

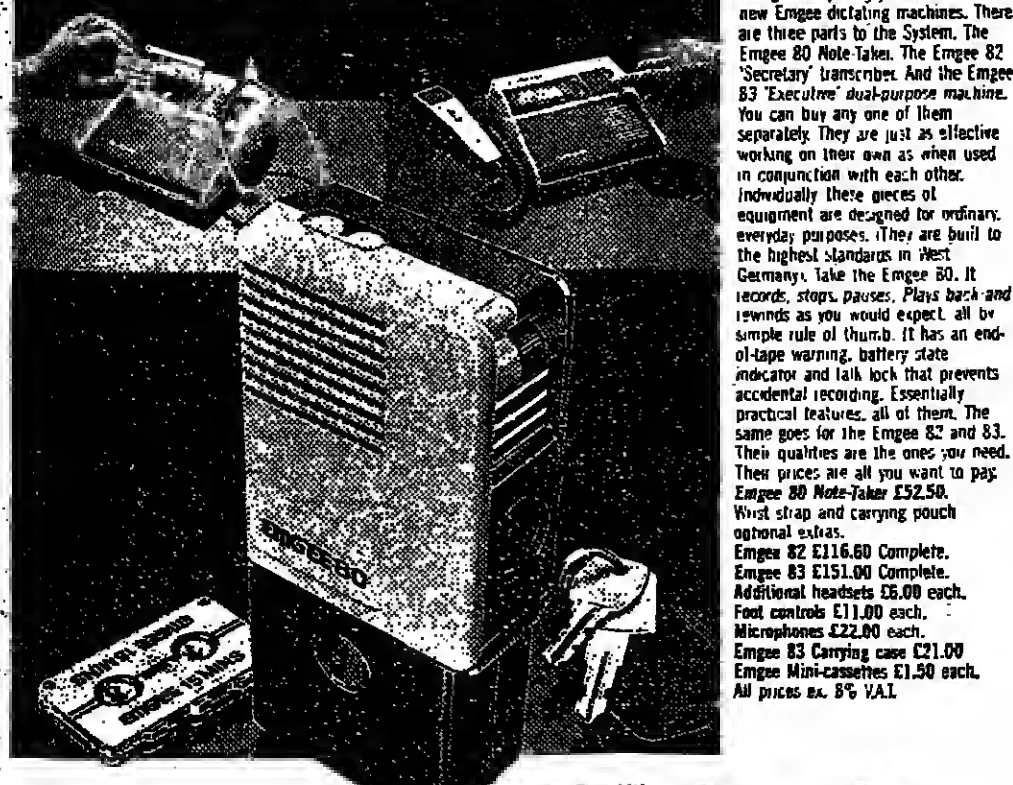
The cassettes were produced by one of the legislators, Mr. Greville Janner, MP, who was thus translating himself from statutory English into ordinary English. Being an experienced broadcaster, he seems to succeed in spite of the fact that he is also a QC. He was assisted in the task by Sir Desmond Reap, the past president and leading wit of the Law Society. Together they succeed in bringing out the broad principles of the employment law, not only clearly but also quite amusingly. The first cassette deals with the Health and Safety at Work

A gourmet lunch for only £5.50.

By lunch we mean an appetizer, main course, sweet or cheese, coffee, service and VAT. Our gourmet menu varies daily. Book on 01-235-8050.

Le Trianon Restaurant
Sheraton Park Tower
Peace and quiet in the heart of Knightsbridge

New Emgee dictating system: word perfect... price perfect.



You get everything you want with our new Emgee dictating machines. There are three parts to the system. The Emgee 80 Note-Taker. The Emgee 82 Secretary Transcriber. And the Emgee 83 Executive Multi-purpose machine. You can buy any one of them separately. They are just as effective working on their own as when used in conjunction with each other. Individually these pieces of equipment are designed for ordinary, everyday purposes. They are built to the highest standards in West Germany. Like the Emgee 80. It records, stops, pauses. Plays back and rewinds as you would expect. All by simple rule of thumb. It has an end-of-tape warning, battery status indicator and talk lock that prevents accidental recording. Essentially practical features, all of them. The same goes for the Emgee 82 and 83. Their qualities are ones you need. Their prices are all you want to pay.

Emgee 80 Note-Taker £25.50. Wrist strap and carrying pouch optional extras.

Emgee 82 £116.00 Complete. Emgee 83 £151.00 Complete. Additional headsets £5.00 each. Foot controls £11.00 each. Microphones £22.00 each. Emgee 83 Carrying case £21.00. All prices ex. 8% VAT.

AVAILABLE FROM:

London: Business Machines, 100-101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

Consultancy expenses

Having been made redundant, I began to practise as a consultant. The tax inspector has insisted that no expenses incurred in connection with the practice are admissible until after the date on which appointments were secured and fees being earned. Is he right?

The inspector is going too far, if he put it as boldly as that. The crucial point is to establish when your practice commenced. You may well find it worthwhile to engage professional assistance in the preparation of accounts and the agreement of your tax position.

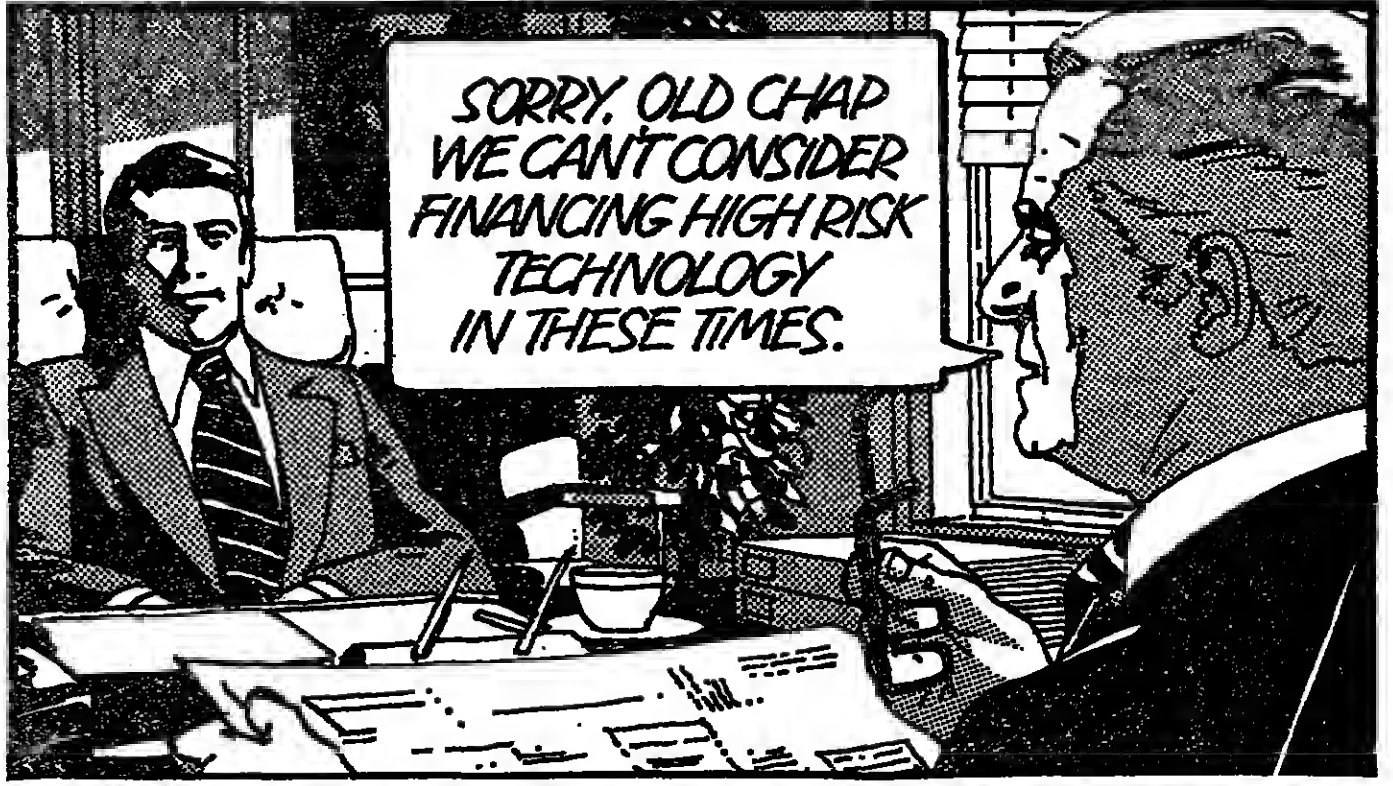
If you have not already seen one, you should ask your inspector for a copy of the free booklet "Starting in Business," which covers quite a wide range of points likely to be of interest to you.

Distribution of capital

Could you inform me as to the statutory obligations of a company in respect of its distribution of surplus capital in dividend form?

Dividends may not be paid out of capital. If, however, there are capital assets which have been realised, that profit may be brought into the profit and loss account and distributed as dividend. However, if such company chooses to carry such profits to capital reserves it is free to do so and there is no means of compelling distribution. Profits may of course be capitalised by the issue of shares; but that too is a matter for the company to decide.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.



Call NRDC. We take the risk for granted.

If you've got a good idea that's a genuine technological innovation, NRDC can shoulder half the risk by providing the finance for half the development costs.

You don't have to pay a penny in interest until you start generating sales. And you stay in control throughout.

NRDC's money and technological backing could be yours for the asking. The very least we'll give you is a sympathetic ear and possibly

some sound advice based on our great experience in technological innovation.

Contact the National Research Development Corporation, Kingsgate House, 66-74 Victoria Street, London SW1E 6SL.

Or better still, ring Brian Mann now on 01-828 3400.

NRDC
Finance for innovation

SPICERS
Word perfect... in the office

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF
Telegrams: Finantime, London P54. Telex: 886341/2, 883897
Telephone: 01-248 8000

Wednesday October 26 1977

Unemployment doubts

THE LONG-EXPECTED but limited package of measures which the Chancellor of the Exchequer is to announce this afternoon has been made possible by the fact that the public sector borrowing requirement has been running well below the original forecast. There is therefore economic justification, as well as room within the terms of Mr. Healey's undertaking to the International Monetary Fund, for some action to correct the present course — which involves an almost complete absence of growth in national output and a high level of unemployment.

It is not known at present, however, whether or not Mr. Healey will give details of the latest official forecast. The very fact that he is able to present yet another mini-Budget conveys the fallibility of all such forecasting, and the latest forecast can hardly be taken account of the unemployment figures for mid-October published yesterday. Even if that had allowed account to be taken of them, moreover, it is far from clear what weight should be placed on them. They appear to suggest a marked change of trend, and for the better. But such a change cannot be established by one month's figures, especially when special factors have had some part to play, and the month-to-month course of the corrected unemployment figures throughout this year has been suspiciously irregular.

Special factor

The gross unemployment figure has, of course, fallen sharply in the latest month. That is normal at this time of year, because those who have just left school are still finding jobs. They have been finding them with greater success than with at one time feared; of the total leaving school at the end of the spring and summer terms, some 88 per cent. have now either found work or have signed on for training or further education, and the figure of unemployed school leavers usually reaches its annual peak point around the turn of the year.

But the underlying trend in unemployment only becomes visible when school leavers and other obviously seasonal factors are set aside. The resulting rising

Trailblazing with the JET 'doughnut'

BY DAVID FISHLOCK, Science Editor

THE MOST expensive scientific experiment upon which Britain has ever embarked has finally won approval from European politicians, who yesterday agreed that it should be set up in this country. The Joint European Torus — JET — will be an attempt to demonstrate the latest ideas for controlled thermonuclear fusion, a nuclear technology that could conceivably some day supplant today's fission reactors.

Schemes for exploring the frontiers of science rarely make headlines in the way that JET has done during the past two years of hickering over who should host the EEC project. But so keen were several EEC nations that politicians right up in prime ministers learned to discuss freely — if not always knowledgeably — about the rival merits of the various sites they were proposing. Sometimes in the process their scientific advisers were severely mauled, as was the case with Dr. Walter Marshall, when chief scientist of the Department of Energy.

Scientific test rig

For the experts, however, there was no question that the choice always lay between the U.K. Atomic Energy Authority's Culham Laboratory near Oxford, and West Germany's Garching laboratory near Munich. Only at these two sites, they believed, did a project that would be stretching the boundaries of technology as well as science, stand a reasonable chance of successful completion. Only at these two sites were there teams with the skills and the commitment to come to the rescue when, as must be admitted, seems highly likely, the project runs deep into technical trouble.

Contrary to impressions often given, JET will not be a nuclear power plant at all, but merely a scientific test rig — a "device," as fusion physicists tend to call it. But it is expected to cost about £120m. at today's prices, for which sum Euratom — the European Community's nuclear advisers — hope to buy a demonstration of the conditions under which it may be possible to control and harness, for electricity production, the reactions which occur when an H-bomb explodes.

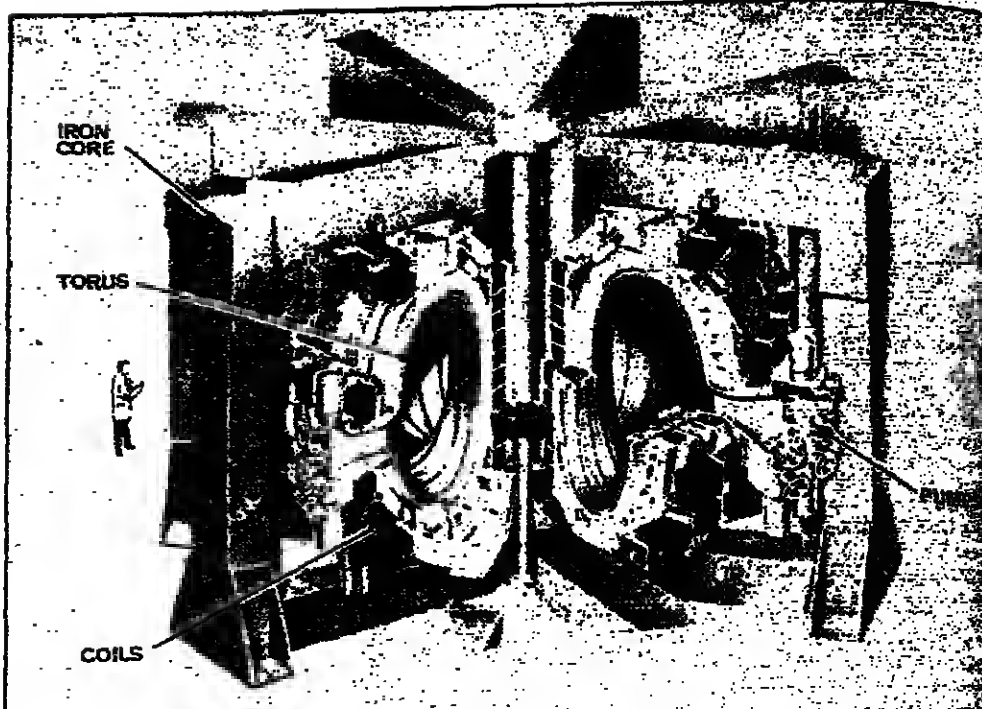
Why JET must be so expensive is simply that the physical processes involved in such reactions — simulations of those which are taking place continuously in the sun — cannot be set up on a small scale. This has already been shown by experiments costing £1m. or more, such experiments — and this a theoretical basis which has



Dr. Sebastian ("Bas") Pease, Director of the Culham Laboratory.

search in thermonuclear fusion, the quest for a new and virtually inexhaustible source of energy that science has been pursuing since the 1920s. Two years ago JET was seen as possibly the most advanced in conception. The team under Dr. Paul Rebut, the French project leader, which has devised the experiment and is now expected to execute its assembly, has worked hard to update it as each failure by the politicians delayed it for a few more months. Even so, it must be admitted that JET will now be no more advanced, and is likely to perform some years later, than Princeton's TFTR.

What Dr. Rebut has designed for JET is essentially a giant electro-magnet, fashioned in the experiments costing £1m. or more, last for 30,000 years of nuclear fusion.



Artist's impression of the JET device. The idea is to sustain conditions close to those within the sun inside a doughnut-shaped pressure vessel called the torus. Surrounding the 20-ft. torus would be powerful magnetic fields compressing the hot electrified gas — plasma — to prevent it from melting the walls of the vessel.

This control of thermonuclear reactions — the fusion of light atoms such as these — could unlock a virtually inexhaustible source of energy. But any idea that it might be cheap energy can be firmly discounted already. The principles on which the JET experiment is based already make it plain that the capital cost of a fusion reactor is bound to be very high. The best the world can expect from this approach to nuclear fusion — the so-called magnetic containment approach — would be stability of world energy prices. And even that could not possibly be brought about much before the middle of the 21st century.

Neither will nuclear fusion — as some of the advocates of "benign and renewable" energy options claim so enthusiastically — ever be free from problems of radio-activity. As a World Health Organisation study on the health implications of nuclear energy pointed out earlier this year, there is bound to be some release of radioactive tritium — a highly mobile atom — from fusion reactors. Moreover, such reactors, at the end of their lives will produce large volumes of radio-active waste — a consequence of the intense neutron bombardment of all the innards of the reactor — requiring disposal or safekeeping for generations.

JET, then, will be an experiment which, if successful could disclose the conditions under which an experimental thermonuclear fusion reactor might be persuaded to operate by, say, the 1990s. As such it will be the flagship of the EEC fusion research effort, scattered among several national laboratories and universities in most EEC countries. The EEC itself will find 80 per cent. of the cash, and Britain as host nation nearly all the rest.

If one overlooks (generously) the political infighting of the last two years, fusion research has been an outstanding success in terms of European technical collaboration. Euratom's co-ordination of the experiments and training of Europe's fusion physicists has kept it abreast of research much more amply funded in the U.S. and USSR. The

accummodate all the various components of a reactor. The problem, as Culham scientists see it, is that a toroidal fusion reactor, of the kind that JET might point the way to, would probably have to be designed so that large — and highly radioactive — portions could be removed and replaced during its lifespan. They fear that, so intense will be the neutron bombardment, the materials and structures will become damaged and distorted. So they have been working on designs in which critical portions might be made modular and hence withdrawn and replaced while they are being refurbished to "hot cells." Such refurbish could weigh as much as 100 tonnes. The laboratory's latest ideas are embodied in the Culham Conceptual

HOW THE £120m. WILL BE SPENT 1977 prices

The JET device	£m.	25.1
Power supplies		19.5
Buildings		14.0
Auxiliary systems (pumping, heating, cooling, etc.)		7.9
Operating budget		7.7
Instrumentation (including computers)		6.0
Manpower (1,398 man-years)		30.0
Contingencies		9.8
TOTAL		£120m.

No short cut

Over the next five or six years, as JET takes shape in a green field near the small village of Culham, the magnitude of those problems will grow much clearer. JET will never work (although some of the best brains in the business think that it will). JET will merely demonstrate that the physicists are following a path in fusion which, even though within the laws of physics, will always remain beyond the grasp of economics. Or JET may, another, still more ambitious experiment — probably a Garching — which in its turn may lead in Europe's fusion experimental fusion reactor, one that we can be confident will be the first step towards technology that will make present-day nuclear reactors — even fast breeder reactors — look simple and perhaps even safe.

Still awaiting audit standards

THE ACCOUNTANCY profession has been gradually responding in the public disquiet which has been caused by the number of occasions in recent years in which Department of Trade inspectors' reports have shown that bad or occasionally dishonest management of a company's affairs has remained undetected as the result of inadequate auditing. Committees, have been set up to lay down standards for auditors and to review the profession's disciplinary procedures. And both the Scottish and English Institutes of Chartered Accountants have said that they are prepared publicly to ensure members who have been found after Department of Trade inquiries to have been negligent or incompetent.

Standing up

Public confidence in the profession's ability to undertake these reforms will not have been enhanced, however, by the "business" which they are being pressed. The auditing practices committee, for example, has so far failed to promulgate a single standard in the 20 months since it was appointed. It is true that the profession's ability to act decisively is limited by its cumbersome organisation in that agreement has always to be sought among its six constituent bodies. But the basis for many of the auditing standards which the committee has been charged with preparing could well be thought to lie in the series of statements on auditing which the English Institute has been issuing for over a decade. In the meantime the absence of an authoritative definition of the standards which a company auditor is required to observe means that there are no proper criteria against which the performance of a negligent auditor can be judged. Furthermore, the lack of publicly known ground rules is of no help to a professional auditor in standing up to a client with whose actions he disagrees.

These difficulties were underlined by the decision which the English Institute's investigation committee published yesterday after examining the roles of certain of its members in two of the companies which have recently been the subject of Department of Trade reports. This was not the first time in which the Institute has made such an announcement. A few months ago it suspended from its membership a director of London and County Securities, the main subsidiary of the fringe banking group which collapsed in 1973, for assisting in the concealment of two fictitious accounts. Shortly afterwards, the Scottish Institute publicly censured three of its members for their respective responsibilities, as assistant managing director, company secretary, and auditor of Scottish and Universal Investments, in letting some £4.7m. worth of loans be incorrectly classified as cash at bankers and on hand in the company's published accounts.

Pressure

In the two latest cases, however, the English Institute has decided against disciplinary action although it fell, in the one case, that two joint auditors ought so to arrange their activities that the falsification of stock records would be spotted and, in the other, that non-executive directors who are also qualified accountants bear a special responsibility and should make any dissatisfaction they feel about a particular state of affairs abundantly clear, if need be in the point of resignation. The decision not to take action was justified, in the first case, on the grounds of lapse of time and conflicting evidence and, in the other, on what is said to be the absence of official guidance at the time and the desire to avoid hindsight.

MEN AND MATTERS

Quick switchers upset airlines

This is a nail-biting time for the big airlines — especially British Airways, Pan-Am and TWA. They are just beginning to work out the financial implications of the decision to challenge the Laker Skytrain over the Atlantic. In a nutshell, how much new business will the "stand-by" cut-price seats prove to generate? Even more agonising for the airlines is trying to work out just how many shrewd businessmen now hook at the regular price, then switch at the last minute if a stand-by is available — and later claim the refund on their original ticket.

If only a quarter of the 10 per cent. of seats allocated for "stand-bys" are filled by "switchers," the dilution of revenue over the coming year could prove a serious blow. The airlines say it is too soon to answer such questions. The long strike by traffic assistants has compounded the uncertainties, because international flights have been scaled down. Even so, it is an open secret around Heathrow that the proportion of late cancellations on Transatlantic economy tickets has risen markedly since the Skytrain war began.

Another question intriguing the aviation world concerns the long-term prospect for Laker, despite his typical fanfare of optimism. There are forecasts that he will have a very lumpy time next year over the Atlantic when the charter operators mount a big counter-attack.

Eastern magic

William Rodgers, Transport Secretary, appeared yesterday in Buenos Aires wearing goggles and helmet, to promote a new motorcycle training scheme by taking a machine for a spin against Britain's 80, two out of

Marching orders

The appearance last month of a biography of Marie Stopes, the birth control pioneer, has evoked a bizarre crop of stories from people who knew her. One reminiscence that biographer Ruth Hall wishes she had been able to include in the book concerns Marie Stopes' visits to Covent Garden market in her last years during the late 1940s. The great reformer always brought her gardener up from Dorling with her, to help fill the car with flowers. Then she drove back, after grandly ordering the gardener to "waik". Sometimes he was uppity enough to take the train. "She really was a terrible person," says Ruth Hall about the famous trail-blazer of women's liberation.

Pause for breath

In spite of having one of the worst drunken driving problems in Europe, the Irish have just abolished the breathalyser. My colleague in Dublin reports that the scale of drunken driving in the Republic is, so to speak, staggering. Even though Ireland's breathalyser was always comparatively lenient, allowing 125 milligrams as is at risk. Now, the Irish Government is planning to in-

Hopping mad

Claiming that a Brownhills, Staffordshire factory is infested with fleas that have been biting them, 800 women workers have downed tools. Pest control officers have moved in and sprayed insecticide around, but the women say they are staying on strike until they are satisfied that all the fleas have gone.

Harping on it

The advantage of starting a business in the heart of rural Wales, if you happen to be English, is "the sense of being abroad without actually being abroad." This is a message that will be aimed at nearly 50 businessmen being flown next week from Gatwick and Birmingham to Llanbedr, Gwynedd for a fact-finding tour. Needless to add, there is also a galaxy of financial inducements, ranging from development loans, to removal grants.

But the spokesperson at the Bwrdd Ddiwydi Cymru Wledig for the uninitiated, Development Board for Rural Wales) was fervently patriotic about the "special nature" of life in rural Wales. She was confident that the visitors would be captivated by the scenery and the style of life.

The Board was set up last year, an event perhaps not unrelated to the electoral successes of Plaid Cymru. Noticing that his handouts even say "Welsh Compagnons in Welsh (Gyda Chyfarfoni). I asked whether incoming businessmen would need to know the language. "We hope they will come to like Wales enough to learn it."

Observer

Northampton

Northampton is the major shopping and commercial centre for the area. New office buildings and sites are available. It has easy access to the M1 motorway and lies midway between London and Birmingham. It's an ideal centre for distribution.

Northampton's new employment and residential areas are attractively landscaped. Houses are available for employees of firms moving in the town.

Northampton has much more to offer. To find out how much, write to L. Austin-Crowe, Chief Estate Surveyor to Northampton Development Corporation, 2-3 Market Square, Northampton NN1 2EN or phone 0604 34734 and ask to speak to him.

AP/10/15/77

New laws to deal with faulty goods

By ELINOR GOODMAN, Consumer Affairs Correspondent

PRODUCT LIABILITY seems to have got a bad name in Britain before most people know what it means. At times it is impossible to mention the word "crisis" in the next breath.

The irony is that many of the people who would admit to having been personally appalled by the difficulties of the victims of thalidomide, Thalidomide, though clouded by a number of other issues, is regarded by many as the case which showed up the deficiency of the present law most clearly.

The suspicions many business-people harbour about the whole matter of product liability based largely on reports from the U.S. that some manufacturers have been forced out of business because they have been unable to meet the claims made against them by injured consumers.

According to this reading, small businesses making such products as varied as tractors and trampolines are going to the all because of the shift in the American courts towards a system of strict liability. Under manufacturers are liable for damages caused by defective products even if the defect was caused by their negligence.

Some versions of the American experience go further and suggest that claimants no longer have to prove that there was a defect in the product; only that they were injured by it.

The city of it is that the panic engendered by this kind of story is tending to obscure discussion of what is a very important issue with implications—albeit of always as dramatic as sports from America might suggest—for virtually every manufacturer and the whole insurance industry.

For the odds are that, within the next five years, there will be a fundamental change in the British law governing who is responsible for compensating for damage resulting in death or personal injuries caused by defective products. The likelihood is that Britain will adopt a system of strict liability under which a person who suffers damage as a result of a defect in a product will be able to recover compensation from the producer without having to establish that the defect was due to the manufacturer's negligence, so long as—and it is an important proviso—he can prove that it was the defect which caused the damage.

Strict liability already exists in the law of contract. But in making a claim in contract the claimant obviously has to have a contract. That is one of the weaknesses of the present system. Say a man buys his wife a hairdryer with a faulty cord which results in her being burnt. She has no contract with the manufacturer in strict liability. His contract would have been with the shop where he bought the hairdryer and not with the manufacturer who actually made the product and who, common sense would dictate, was therefore responsible for its safety.

In this situation, his only legal means of getting redress from the manufacturer would be to sue him in what English lawyers call tort and Scottish lawyers call delict. But, by its very nature, tort means proving that the defect was due to the manufacturer's negligence. That places the burden of proof entirely upon the claimant who will not have ready access to the kind of detailed research which the company can use as evidence. (His wife was also left with this choice when she injured herself with the hair-dryer.)

In their report published earlier this year, both the Scottish and English Law Commissions concluded that the present law was inadequate. They recommended that manufacturers and certain third parties in the distribution chain, such as importers, should be made strictly liable for personal injuries and deaths caused by defective products. That liability would not extend to damage caused to property or to pure economic loss, but would include compensation for non-pecuniary loss, such as pain and suffering.

The Law Commissions concluded that a product should be regarded as defective if, at the time it was put on the market, it did not comply with the standard of reasonable safety that a customer was entitled to expect from it once he had read any accompanying instructions or safety warnings. The manufacturer would be able to argue in his defence that the customer had contributed to the injury by misusing the product, or alternatively that the customer had himself accepted the risk when buying the product. The cigarette smoker who smokes despite the health warnings might be an example of such an "assumed risk".

The two Commissions were agreed on all these major issues. But there were differences of opinion on important points of detail such as whether manufacturers of component parts should be held strictly liable for accidents once the component had been incorporated into another product. (The British Law Commission thought they should, the Scottish Commission had reservations.)

The Law Commissions reports are only a strand in the complicated debate about product liability. In Europe, there is a draft directive on product liability emanating from the EEC Commission in Brussels as well as a Council of Europe proposal on the same subject, known as the Strasbourg Convention. In Britain, the situation is further complicated by the prospect of the Royal Commission, headed by Lord Pearson, reporting shortly on the whole subject of compensation for personal injuries. It could recommend a State compensation scheme of some sort which could mean that anyone who was injured could claim compensation from this central fund rather than sue the manufacturer. The manufacturer would presumably have to pay more into the fund if his goods became the subject of a claim.

A promised Bill on consumer safety also bears on the subject. It would give the Government the power to ban whole categories of dangerous merchandise and make it a criminal offence to sell them. Confusing and perhaps contradictory as these approaches

may seem, they do all lead in one direction, namely that some of the future is going to have to pay the cost of damage caused by defective products. Many companies will therefore be obliged to re-examine both their insurance cover, and their people.

The one aspect of the draft directive with which the consumer movement is not happy is the suggestion that there should be a limit on the amount of

directive of property damage. That would mean that the manufacturer of a defective television which blew up would be strictly liable for damage to, say, the wallpaper burnt in the explosion, as well as any injury to the person.

ment of new products, particularly in the pharmaceutical industry where manufacturers argue that they cannot be sure that a drug is totally safe before it goes on the market.

Industry's main worry about the whole question of strict liability, however, is the cost of it. The Government is also concerned about this. As yet ministers have no official policy on the subject, but the Department of Prices seems to favour some change of the law provided it does not prove too expensive.

It seems clear that the introduction of strict liability would mean some increase of cost for manufacturers, and ultimately the consumer. Some companies already pay compensation in circumstances where the law does not require it, but most would presumably have to increase their insurance cover. The insurance industry itself is apprehensive about having to assess premiums in circumstances where it has little idea of the risk involved.

Inevitably, the temptation is to draw parallels with the U.S. where the cost of the average claim went up from \$11,644 in 1965, when the doctrine of tort was redefined, to \$79,940 in 1973, and where, according to some reports, some small companies have seen their insurance rates increase 20-fold in one year alone. Some are said to have been forced out of business either because they could not meet the cost of the premiums or because they could not get any cover at all.

Certainly, there are problems in the U.S. and there is a marked reluctance among some British insurance companies to provide product liability cover for British manufacturers selling in America. But the inter-

agency Task Force, set up by President Ford in 1976 in examining the problem, concluded in its interim report that while there had been a big increase in insurance costs and while some companies had adopted a more cautious approach to new product development, only a few had been unable to obtain insurance. The problem appeared, it said, to be "more one of affordability than availability."

This conclusion may not be particularly reassuring to British companies—particularly the smaller ones—fearful of the implications of any move to strict liability. But it should also be remembered that the increased insurance rates partly reflected the insurance industry's own financial problems, and, more important, that the American legal system is very different from the British. In America, lawyers' fees for business and get a cut of any damages awarded. Cases tend to be heard by juries which can be more easily swayed by emotional arguments than are judges.

Perhaps the one lesson that can be learned from the U.S. is that unless legislation is very carefully drafted, and all the implications are thought through carefully beforehand, product liability can create great problems. For this reason British industry would do well to sort its views out now while at the same time considering whether there are ways, such as improving quality control, which could minimise the risk of defective products. After all, it is defective products which are the heart of the matter.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Negligence

Even if the husband had burnt himself with the hair-dryer, he would probably not have been able to sue the manufacturer in strict liability. His contract would have been with the shop where he bought the hair-dryer and not with the manufacturer who actually made the product and who, common sense would dictate, was therefore responsible for its safety.

In this situation, his only legal means of getting redress from the manufacturer would be to sue him in what English lawyers call tort and Scottish lawyers call delict. But, by its very nature, tort means proving that the defect was due to the manufacturer's negligence. That places the burden of proof entirely upon the claimant who will not have ready access to the kind of detailed research which the company can use as evidence. (His wife was also left with this choice when she injured herself with the hair-dryer.)

In their report published earlier this year, both the Scottish and English Law Commissions concluded that the present law was inadequate. They recommended that manufacturers and certain third parties in the distribution chain, such as importers, should be made strictly liable for personal injuries and deaths caused by defective products. That liability would not extend to damage caused to property or to pure economic loss, but would include compensation for non-pecuniary loss, such as pain and suffering.

The Law Commissions concluded that a product should be regarded as defective if, at the time it was put on the market, it did not comply with the standard of reasonable safety that a customer was entitled to expect from it once he had read any accompanying instructions or safety warnings. The manufacturer would be able to argue in his defence that the customer had contributed to the injury by misusing the product, or alternatively that the customer had himself accepted the risk when buying the product. The cigarette smoker who smokes despite the health warnings might be an example of such an "assumed risk".

The two Commissions were agreed on all these major issues. But there were differences of opinion on important points of detail such as whether manufacturers of component parts should be held strictly liable for accidents once the component had been incorporated into another product. (The British Law Commission thought they should, the Scottish Commission had reservations.)

The Law Commissions reports are only a strand in the complicated debate about product liability. In Europe, there is a draft directive on product liability emanating from the EEC Commission in Brussels as well as a Council of Europe proposal on the same subject, known as the Strasbourg Convention. In Britain, the situation is further complicated by the prospect of the Royal Commission, headed by Lord Pearson, reporting shortly on the whole subject of compensation for personal injuries. It could recommend a State compensation scheme of some sort which could mean that anyone who was injured could claim compensation from this central fund rather than sue the manufacturer. The manufacturer would presumably have to pay more into the fund if his goods became the subject of a claim.

A promised Bill on consumer safety also bears on the subject. It would give the Government the power to ban whole categories of dangerous merchandise and make it a criminal offence to sell them. Confusing and perhaps contradictory as these approaches

may seem, they do all lead in one direction, namely that some of the future is going to have to pay the cost of damage caused by defective products. Many companies will therefore be obliged to re-examine both their insurance cover, and their people.

The one aspect of the draft directive with which the consumer movement is not happy is the suggestion that there should be a limit on the amount of

directive of property damage. That would mean that the manufacturer of a defective television which blew up would be strictly liable for damage to, say, the wallpaper burnt in the explosion, as well as any injury to the person.

ment of new products, particularly in the pharmaceutical industry where manufacturers argue that they cannot be sure that a drug is totally safe before it goes on the market.

Industry's main worry about the whole question of strict liability, however, is the cost of it. The Government is also concerned about this. As yet ministers have no official policy on the subject, but the Department of Prices seems to favour some change of the law provided it does not prove too expensive.

It seems clear that the introduction of strict liability would mean some increase of cost for manufacturers, and ultimately the consumer. Some companies already pay compensation in circumstances where the law does not require it, but most would presumably have to increase their insurance cover. The insurance industry itself is apprehensive about having to assess premiums in circumstances where it has little idea of the risk involved.

Inevitably, the temptation is to draw parallels with the U.S. where the cost of the average claim went up from \$11,644 in 1965, when the doctrine of tort was redefined, to \$79,940 in 1973, and where, according to some reports, some small companies have seen their insurance rates increase 20-fold in one year alone. Some are said to have been forced out of business either because they could not meet the cost of the premiums or because they could not get any cover at all.

Certainly, there are problems in the U.S. and there is a marked reluctance among some British insurance companies to provide product liability cover for British manufacturers selling in America. But the inter-

agency Task Force, set up by President Ford in 1976 in examining the problem, concluded in its interim report that while there had been a big increase in insurance costs and while some companies had adopted a more cautious approach to new product development, only a few had been unable to obtain insurance. The problem appeared, it said, to be "more one of affordability than availability."

This conclusion may not be particularly reassuring to British companies—particularly the smaller ones—fearful of the implications of any move to strict liability. But it should also be remembered that the increased insurance rates partly reflected the insurance industry's own financial problems, and, more important, that the American legal system is very different from the British. In America, lawyers' fees for business and get a cut of any damages awarded. Cases tend to be heard by juries which can be more easily swayed by emotional arguments than are judges.

Perhaps the one lesson that can be learned from the U.S. is that unless legislation is very carefully drafted, and all the implications are thought through carefully beforehand, product liability can create great problems. For this reason British industry would do well to sort its views out now while at the same time considering whether there are ways, such as improving quality control, which could minimise the risk of defective products. After all, it is defective products which are the heart of the matter.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

Product liability can create great problems. British industry would do well to sort out its views.

COMPANY NEWS + COMMENT

UCM expands by 52.5% to top £4m.

REFLECTING continued organic growth, pre-tax profits of United City Merchants expanded by 52.5 per cent from £2.7m to a record £4.1m for the year in June 30 1977 on sales of £185.5m, against £18.2m. At half-way, reporting an advance from £1.2m to £2.3m, the directors said that the full year's result should be most satisfactory.

A cash dividend of 0.82p net per 10p share effectively lifts the total to 0.82p, the maximum allowed, compared with an equivalent 0.745p. Had it not been for Government restrictions, the directors say that dividend which is covered over ten times would have been substantially higher. A further scrip issue, this time on a one-for-nine basis is also proposed.

The pattern of growth was widely spread over all sections, the directors state, which included automotive and engineering exports; selling agents of timber products on behalf of overseas timber companies to the U.K., France, and Spain; leather manufacturing in India, and India; banking, financing, and national contracting; shipping and transport services; barrier and counter trading; international turnkey projects; and a host of overseas activities of the group's subsidiaries around the world.

The wide range of goods and commodities traded in the group, the elasticity of its organization, and the ability to adjust itself to market conditions enabled the group to obtain such results, they add.

Pre-tax profits of subsidiary Pharaoh Game and Co. for the same period more than doubled from £200,148 to £433,141 on turnover of £76,950, against £28,870. Tax took £251,800 (£12,724). The dividend absorbs £15,650 (£80,021).

Pre-tax profits of subsidiary Simpson Perkins rose from £604,354 to £703,241 and turnover was ahead to £6.57m, compared with £4.57m. Tax took £192,334 (£27,841) and dividend absorbs £261,311 (£201,012).

comment

United City Merchants' shares shot up yesterday to 35p, but it was not the profit figures that let the shares down. Second half profits rose by a third to 1.65p, the year 43 per cent on pre-tax, and the trend in margins is distinctly upwards—2.88 per cent in the last six months against 2.29 per cent, previously. What

INDEX TO COMPANY HIGHLIGHTS

Company	Page	Col.	Company	Page	Col.
Associated Leisure	23	4	InterCity Invs.	23	3
Atlantic Assets	23	2	Kent (M. P.)	23	2
Banks (S. C.)	24	6	Kwik-Fit	23	3
Bradford (Robert)	22	7	Majedie Inv.	23	4
Bryant	23	3	Nathan (B. & L.)	24	6
Campbell & Isherwood	23	2	Patterson Zochonis	23	6
City & Intl.	22	4	Staffs. Potteries	23	1
Crossland (R. & A. G.)	23	3	TKM	22	2
Decca	24	4	United Carriers	23	5
Higgs (John)	23	8	United City Merchants	23	1
Harrisons & Crosfield	23	1	Yorks. & General	23	7

did hit the shares was the dividend increase of just 10 per cent. Many had hoped that UCM might find a way around dividend restraint by virtue of the fact that 90 per cent of income arises overseas. It tried but failed, though with a cover of eight times, fully diluted, there is plenty of scope to raise the 2.3 per cent yield when dividend restraint is lifted. A cover of three times is far more acceptable to UCM. On the trading front, profits from timber agents, Pharaoh Game, are more than doubled, and leather profits have been buoyant, with Simpson Perkins nearly 40 per cent higher. This year the outcome of the Maccie Jute plant contract, where UCM acts as merchant, is still in the balance but if it goes through it could make a substantial difference to profits.

TKM holds first half profit

INTERNATIONAL FINANCE and investment company Tozer Kemsley can hope for the best in the full year. Weak demand for Mazda cars in France, due to the yen's strength against the franc, the turnover from a £300,000 profit to a loss in the holiday travel activities reflecting the absence of any currency surcharge, and the rise in the price of wood pulp will all take their toll on profits. Had it not been for the strong demand for Mazda imports, as well as for tractor in the U.K., which helped associate companies double their contribution the first half figures would have looked even more auspicious. Below the line figures are more healthier, thanks in a return to a more normal tax charge; but with woodpulp profits expected to halve from around £200,000 to £100,000 for the full year that twofold dividend cover could thin. At 47p the shares sell on a prospective p/e of 7.7, while the yield is maximum 10.2 per cent.

comment

On increased capital from the June one-for-five rights issue the interim dividend is lifted by 23 per cent, with Treasury consent from 0.6502p to 0.8233p net per 20p share. Last year's final was £4.51m, against £5.01m, and tax profits of Inter-City Investment Group advanced from £92,000 to £103,000. For the whole of 1976 a loss was incurred of £14,835.

Inter-City ahead at halftime

On first-half 1977 turnover down to £4.51m, against £5.01m, and tax profits of Inter-City Investment Group advanced from £92,000 to £103,000. For the whole of 1976 a loss was incurred of £14,835.

Earnings per 20p share are shown as 0.65p (0.37p) and the interim dividend is increased in 0.2p (0.25p). There was no final for last year.

The Wholesale Distribution division returned to profitable trading and gross profit margins continue to improve, the directors state. The "cash and carry" department which was opened in May is developing most satisfactorily and promises well for the future. The directors are confident that this division will make a substantial contribution to profits for the second half of the year.

Following the acquisition of Shu-Ron Fabrics in February the Textile division has been reorganised and the benefits of this are now beginning to materialise, they add.

A record profit was again achieved by associate Shui Hing Knitting Factory for the year to March 31, 1977, and current reports indicate that this upward trend is being maintained, the directors say.

comment

After an unchanged first half, about £5m, looks the best Tozer Kemsley can hope for in the full year. Weak demand for Mazda cars in France, due to the yen's strength against the franc, the turnover from a £300,000 profit to a loss in the holiday travel activities reflecting the absence of any currency surcharge, and the rise in the price of wood pulp will all take their toll on profits. Had it not been for the strong demand for Mazda imports, as well as for tractor in the U.K., which helped associate companies double their contribution the first half figures would have looked even more auspicious. Below the line figures are more healthier, thanks in a return to a more normal tax charge; but with woodpulp profits expected to halve from around £200,000 to £100,000 for the full year that twofold dividend cover could thin. At 47p the shares sell on a prospective p/e of 7.7, while the yield is maximum 10.2 per cent.

Advance by Associated Leisure

PRE-TAX PROFITS for the half-year to September 31 of Associated Leisure advanced from £1.23m to £1.69m, against £1.01m, against £0.58m, and the directors are confident that the outcome for the year will be satisfactory.

The interim dividend is increased from 1.2p to 1.3p net per 5p share. Last year's total was 2.7032p and pre-tax profits came to £2.22m.

comment

Shares of Associated Leisure have had a good run since the previous results and the first half figures do not disappoint. They show a 25.6 per cent improvement in turnover and a 37 per cent rise in pre-tax profits. There is real volume growth of about 4 per cent, and margins are clearly not disappointed. The bottom average rate of inflation in the cost of machines which keeps the depreciation charge down. The last 12 months have seen good progress in the amusement machine industry generally, and A.L. is leading position.

New machines have been introduced and new outlets, such as motorway service stations have been sought out. In the meantime A.L. is still looking for a hole in the market to put its spare cash into. At 53p the share yield a maximum 8.7 per cent.

Holiday concessions at Horizon

A concessionary holiday scheme for individual shareholders is to be introduced by Horizon Midlands. A 7.5 per cent reduction on holiday inclusive holidays up to £500 will be provided to members who have held 500 or more shares for at least a year. Details will be sent to shareholders next week.

City & Intl. pays 4.07p

City and International Trust is lifting its dividend total by 25.3 per cent to 4.07p, but increase in rates from 2.5p to 2.7p net, with a final payment of 2.77p net.

Gross revenue rose from £20.9m to £21.350m and pre-tax revenue advanced from £71,143 to £97,244.

Tax absorbs £274,527 (£301,980) leaving a net of £1,425,717 (£1,228,417) and pre-tax profit advanced from £71,143 to £97,244.

The net asset value is given as 110.4p (98.9p) or 118.1p (98p) fully diluted.

Dividend revenue 430,710 54,722
Interest revenue 498,738 75,812
Gross revenue 1,129,448 130,534
Less: Finance charges 112,073 168,758
Revenue before tax 997,244 171,814
Less: Finance charges 21,217 70,958
Net revenue 976,027 100,856
Less: Dividends 21,890 21,890
Available for Ord. 954,137 78,966
Ord. div. 34,992 42,374
Retained 919,145 36,592

£201,604 for Majedie

Net profit for Majedie Investments for the year to September 30, 1977 rose from £148,374 to £201,604 and the dividend is increased from 0.10284p to 0.12832p net per 10p share, the maximum permitted.

In addition there were profits on the sale of investments of £137,232, against £104,359, net asset value per share is shown as 38.85p compared with 35.72p.

LRC LOAN STOCK CONVERSIONS

Holders of £4,507,549 (84.82 per cent) of the 5 per cent Convertible Unsecured Loan Stock 1981-1995 of LRC International have converted their stock into 2,254,922 Ordinary shares.

King & Shaxson
Limited
52 Cornhill EC3 3PD
City Edge Portfolio Management
Service Index 25.1677
Portfolio I Income Offer 92.28
Bid 91.74
Portfolio II Capital Offer 149.27
Bid 148.03



Mr. Eric Sosnow, chairman of United City Merchants—internal expansion being maintained.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Assoc. Leisure	1.3	Feb. 3	1.2	2.5	2.3
Sidney C. Banks	3.5	Jan. 4	3.5	7.0	6.5
Bender and Southern	5	Jan. 3	3.75	8.75	8.0
Bryant Holdings	1.39	—	1.24	2.63	2.02
City and Intl. Trust	2.77	Dec. 12	2.16	4.93	3.3
R. and A. G. Crossland Int.	0.4	Dec. 1	0.35	0.75	0.5
Harrisons and Crosfield Int.	4.382	Dec. 6	3.85	8.23	11.39
Ellis and McHardy	2.72	Dec. 3	2.44	5.16	2.44
Inter-City Inv.	0.2	—	0.13	0.33	0.13
Kwik-Fit	0.83	Dec. 3	0.83	1.66	1.75
Lake View Inv.	0.75	Dec. 1	0.85	1.60	0.1
Majedie Inv.	0.68	Dec. 14	0.4	1.08	0.1
B. and L. Nathan	0.1	Dec. 28	1	1.1	3
Patterson Zochonis	6.08	Dec. 6	2.24	8.32	5.08
Sphere Investments	1.43	Dec. 2	1.15	2.58	2.9
Tozer Kemsley	0.837	Jan. 4	0.45	1.287	3.44
United Carriers	0.268	Jan. 4	0.2	0.468	2.1
Utd. City Merchants	0.28	Jan. 4	0.27	0.55	0.74

Dividends shown pence per share net except where otherwise stated. Equivalent after allowing for scrip issue. *On capital increased by rights and/or acquisition issues. †Additional 0.1148p for 1978. ‡Additional 0.00224p for 1975.

United Carriers dips lower at six months

DESPITE A turnover rise from £6.85m to £8.16m, taxable profit of United Carriers dipped from £1.23m to £1.2m, in the 26 weeks to July 31.

Directors say that because of difficult trading conditions they do not expect profits for the full year to match the record £2.26m reported for 1976. In June Mr. G. Millard, chairman, predicted another year of progress for the express carriers.

Earnings per share are shown to be down from 5.2p to 4.5p, but interim dividend is lifted from 0.6163p net per 10p share to 0.6883p. An additional 0.00224p is being paid for 1976—the final dividend was 1.4356p.

comment

Despite a 20 per cent increase in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further 7 per cent increase in rates from mid-October. The company at the moment is working at least 10 per cent below capacity, and historically, the second half only provides three busy months, assuming a similar profits short-fall overall, the prospective p/e is 7.4, while the yield in turnover, helped by the 7 per cent rates rise in February, first half profit of United Carriers fell by almost 10 per cent. The downturn in consumer spending meant that volume was much lower and after incurring higher overheads, including additional vehicle tax, and road fuel tax, margins fell nearly five points to 17.6 per cent. For the second six months margins will be further squeezed by Phase Two wage rises but this will be partially offset by a further

H. & C. ahead but warns Bryant turns on second half Zochonis held at £18m. by forced Nigerian sale

WITH investment income at an exceptional £1.47m, compared with £0.42m, pre-tax profits of Harrison and Crossfield advanced from £10.54m to £12.56m for the first half of 1977.

However, the directors warn that the immediate outlook for the group's timber interests is less favourable and mainly for this reason second half profits are unlikely to match last year's £12.56m.

Investment income for the first half includes the special dividends from Golden Hope Plantations, London Asiatic Rubber and Produce Company and Pataling Rubber Estates in the terms of their agreement to form Harrison Timber Trust. The special dividend will be received from HMT in the second half.

In the previous year dividends from Harrison companies were spread more evenly between the two six month periods. It is anticipated that the first year's dividend from HMT will be received in May and October 1978.

Adjusting for the July two-for-five scrip issue, first half earnings are shown to be ahead from £11.22m to £12.56m. The interim dividend is effectively raised from 3.925p to 4.38p net. Last year's final was equal to £1.300868. An additional £1.145p is now also proposed for 1977 following the reduction in the

glass and other building materials £4,052,143 and £9,043,1 and financial transactions £248 (£168 and £895).

comment

Last year Harrison and Crossfield nearly doubled its profits but progress this year is far more subdued. At the half way stage pre-tax profits are up by nearly a fifth but are slightly down on the second half of last year. A £1m jump in investment income, primarily from the special dividends associated with the merger of the "Three sisters," has helped cushion profits in the first half. But the outlook for the second six months is not particularly bright, especially for the profits of H and C's important subsidiary, Sabah Timber, where the recession in the U.K. building industry is having a severe impact. There is little prospect of much growth on the general merchanting side, so it is up to the manufacturing side to make the running. Consequently, pre-tax profits of £2.2m, against £2.2m, in the full year look likely. At 287p the shares are on a prospective yield of 3 per cent.

Glensia Investments, of which the company owned 25 per cent, has been voluntarily wound up and the assets have been distributed to shareholders. As a result, the company has received a portfolio of quoted North American stocks to the value of £1.2m.

A statement of source and application of funds shows liquidity increased by £3.44m (£2.79m decrease).

Meeting, Edinburgh, November 17, at 2.15 p.m.

After rising from £1.05m to £1.08m in the first half pre-tax profits of Bryant Holdings finished the year to May 31, 1977 ahead from £2.38m to £2.66m on turnover of £5m, against £4.6m.

After tax and minorities earnings are shown to be up 30 per cent at 4.8p per 25p share. The dividend total is lifted from 2.023p to the maximum permitted 2.2999p net with a final of 1.3925p.

19-27 10-1-10

Turnover	£5,000,000	£4,600,000
Operating profit	£1,080,000	£1,050,000
Share of associates	£44,000	£34,000
Pre-tax profit	£1,124,000	£1,084,000
Tax	(£152,000)	(£148,000)
Net profit	£972,000	£936,000
7p minorities	(21,780)	(13,480)
Minority interest	(25,000)	(26,000)
Totals	£925,220	£896,520

Reserves now stand at £4.99m (£2.77m) after the transfer of a development surplus of £1.29m, and an increase in capital reserve of £264,170.

Mr. A. C. Bryant, the chairman, says the results have been assisted by the group's proportion of the full year's profit from the investment in Concrete, though the operating profit is down due to reduced margins both in contracting and private homes.

The cash position remains satisfactory with the total group balance sheet similar to last year and with bank borrowings well within available facilities, he adds.

The group's stock of land, both housing and commercial, is valued at the lower of cost or market value and in the Board's opinion the present market value well exceeds the balance sheet figure. This stock showed a decrease of £1m, from the previous balance sheet with a claw-back of deferred tax amounting to £24,448.

The balance of deferred tax in respect of stock appreciation relief included in deferred liabilities amounts to £4,726,073. Although new accounting conventions allow a transfer to shareholder's funds if no substantial claw-back is anticipated, the directors have deferred making this change since they do not consider it practicable at present to determine how much should be appropriated.

Summons have been issued against the company and one of its main subsidiaries C. Bryant

and Son and the chairman together with other defendants. The summons allege a conspiracy to corrupt and obstruct the company, its subsidiary and the other defendants have been committed for trial but the date has not yet been fixed. "The matter is, of course, sub judice and I accordingly refrain from making any further comments," says Mr. Bryant.

Results for 1977-78 will be affected by several conflicting factors, members are told. With interest rates at a low level, a good contribution from home development can be expected together with improved results from property activities. On the other side, contracting turnover will definitely reduce though the group is seeking additional work. The building industry has always been cyclical, says the chairman, "and we are certainly in one of the troughs at the moment".

However, this weaker year he hopes to present satisfactory results and looks forward to "making advantage of the next peak in the cycle."

REFLECTING A reduction to associate company status of its Nigerian operations and the acquisition of Odex Raccan and Minerva SA, taxable profit of Paterson Zochonis and Co. eased from £19.1m to £15.27m in the year to May 31, 1977.

But on a comparable basis with 1976 the profit jumped to £24.37m on turnover ahead from £16.22m to £26.65m. Taking account of the Nigerian change turnover was £145.54m.

Under Nigerian legislation PZ reduced its holding in Paterson Zochonis Industries from 80 per cent to 40 per cent. Although shares were not sold to Nigerian nationals until after the balance date, PZ was unable to pay dividends out of 1977 profits until after the issue of shares. The company has therefore been treated as a 40 per cent associate for the whole year.

The profit figure does not include a £1.62m loss on net realisable assets (£1.77m, on a comparable basis) and a £4.25m (£3.22m) loss in reserves from the share issue, caused by the permitted issue price being below the book value of underlying assets. The value of the shares raised about £3.8m.

At half-way taxable profit was ahead from £9.1m to £11.67m on a comparable basis. Full-year results include contributions from Odex for 14 months to May 31, and five months for Minerva, reduced by interest on the consideration from May 31, 1976, and December 31, 1976, respectively.

Directors say that the turnover on a comparable basis increased as a result of the acquisition of the continued heavy trading conditions throughout West Africa. The continued growth in the company's West African manufacturing interests made an increasing contribution to results. U.K. members of the merchandising, detergents, cosmetics, soap, toiletries and cleansers group made lower contributions in the period stemming from capital expenditure on improving efficiency coupled with the necessary reorganisation. But these steps are expected to produce higher earnings in years to come.

Attributable profit of the company improved from £7.08m in 1976 to £8.57m, with the com-

parable figure higher at £9.67m. Earnings per share are stated at 33.89p against 44.53p last time, and 60.95p on a comparable basis.

Final dividend per 10p share of 6.070p compares with 2.24p last year and takes the initial payout to 7p against 208p.

1977	1976	1975
Turnover	£16,220,000	£16,200,000
Operating profit	£1,050,000	£1,080,000
Share of associates	£34,000	£44,000
Pre-tax profit	£1,084,000	£1,124,000
Tax	(£148,000)	(£152,000)
Net profit	£936,000	£972,000
7p minorities	(£13,480)	(£21,780)
Minority interest	(£26,000)	(£25,000)
Totals	£896,520	£925,220

As per accounts, on a comparable basis with 1976, profit:

See Lex

Small rise so far at J. Haggas

ON REDUCED group sales of £4.15m against £4.52m, pre-tax profits of worsted spinners John Haggas marginally improved from £12,000 to £14,000 for the three months to September 30, 1977. For all 1976 the company achieved a record £3.21m surplus and paid dividends totaling £2.0m, not before the four-for-one scrip issue.

Trading conditions are tough in many areas of the business, say the directors, with lack of demand leading to the usual here-and-there price-cutting for so long a feature of the textile industry. Unless the torrent of orders from Eastern imports is stemmed, world trade is unlikely to improve, they do not expect any marked improvement.

The last quarter in the spinning division has been affected by considerably shorter working hours, due to reduced demand in both home and export markets. Furthermore, the high margins obtained abroad last year have completely disappeared, and the directors, but nevertheless, better profits of £14,000 (£14,000) on slightly lower sales of £2,240,000 (£2,240,000) were recorded.

The first three months of the trading year are seasonally quiet in the knitting division, report the directors, but this year demand has been exceptionally poor leading to lower sales of £1,500,000 (£1,500,000) and profits £22,000 (£22,000).

A doubling in size of the third-division factory is the reason for improved sales of £1.1m (£1,100,000) and profits £123,000 (£123,000) in the fur fabric division. However, certain areas are suffering, like the other divisions, from severely depressed U.K. trading conditions.

Yearlings to 65c

Atlantic Assets well placed

The investments that are held by Atlantic Assets Trust will stand the company in good stead in the future, says the chairman, Mr. John V. Sheffield, who in his statement with accounts, looks forward to further satisfactory results. Net asset value rose by 24 per cent from \$1.2 to \$1.5 during the year to June 30, 1977, and at September 30 it had advanced further to \$1.6.

An analysis of the operating surplus by activity shows (000s omitted): General merchanting and services, shipping and insurance £2,515 (£2,578 and £2,782); manufacturing and processing, chemicals, industrial raw materials, rubber, textiles and engineering products £3,310 (£2,718 and £2,530); and distribution of timber,

Kwik-Fit doubled halfway

ON TURNOVER ahead from £3.53m to £5.16m, profits of Kwik-Fit (Tyres and Exhausts) Holdings more than doubled from £210,544 to £445,016 for the half year to August 31, 1977, subject to tax of £221,276 against £114,843.

The figures have been adjusted for a change in accounting policy on the depreciation of buildings. Mr. Alec Stewart, the chairman, states that operational costs are still increasing, but steps to improve efficiency are continually being taken, and this will be reflected in the results for the year. Profits for all 1976-77 reached a record £513,388.

First half earnings are shown to be ahead from 2.22p to 4.45p per 25p share and the interim dividend is lifted from 0.525p to 1p net. Last year's final was 1.25p.

It is also proposed to subdivide the 25p shares into 10p shares to improve their marketability.

The main subsidiaries had good trading in the first half. Kwik-Fit's retail tyre and exhaust depots continued to expand, and the short period of consolidation last year enabled the depots to become profitable. In Holland, Dorsman, has produced excellent figures, and signs are that this should continue, and J. C. Baker should improve during the second six months, as demand is seasonal, he adds.

comment

Although Bryant Holdings' stockmarket rating continues to be influenced by the pending corporation trial, last year's trading performance leaves little scope for a sharp re-rating. Without the full year's contribution from Concrete of £580,000, profits would have fallen by around 15 per cent. That 28 per cent, stake has now been sold since the year end in National Chemical Industries for a profit of £1.55m. This should help reduce the total borrowings of £6.8m, of which over two thirds are short term. On the trading front private estate development showed weaker margins, for while prices rose 9 per cent, material costs jumped by 13-20 per cent. And in the local authority housing market, contracts in hand are down nearly three tenths to £12m, although civil engineering activities have around 15 months work contracted forward. Overseas work is so far making a nil contribution. With no real prospect of an early return to profit the shares at 38p and selling at a price of £1.30, with a 4.8 per cent yield, are full valued.

comment

Although Bryant Holdings' stockmarket rating continues to be influenced by the pending corporation trial, last year's trading performance leaves little scope for a sharp re-rating. Without the full year's contribution from Concrete of £580,000, profits would have fallen by around 15 per cent. That 28 per cent, stake has now been sold since the year end in National Chemical Industries for a profit of £1.55m. This should help reduce the total borrowings of £6.8m, of which over two thirds are short term. On the trading front private estate development showed weaker margins, for while prices rose 9 per cent, material costs jumped by 13-20 per cent. And in the local authority housing market, contracts in hand are down nearly three tenths to £12m, although civil engineering activities have around 15 months work contracted forward. Overseas work is so far making a nil contribution. With no real prospect of an early return to profit the shares at 38p and selling at a price of £1.30, with a 4.8 per cent yield, are full valued.

comment

Although Bryant Holdings' stockmarket rating continues to be influenced by the pending corporation trial, last year's trading performance leaves little scope for a sharp re-rating. Without the full year's contribution from Concrete of £580,000, profits would have fallen by around 15 per cent. That 28 per cent, stake has now been sold since the year end in National Chemical Industries for a profit of £1.55m. This should help reduce the total borrowings of £6.8m, of which over two thirds are short term. On the trading front private estate development showed weaker margins, for while prices rose 9 per cent, material costs jumped by 13-20 per cent. And in the local authority housing market, contracts in hand are down nearly three tenths to £12m, although civil engineering activities have around 15 months work contracted forward. Overseas work is so far making a nil contribution. With no real prospect of an early return to profit the shares at 38p and selling at a price of £1.30, with a 4.8 per cent yield, are full valued.

comment

Although Bryant Holdings' stockmarket rating continues to be influenced by the pending corporation trial, last year's trading performance leaves little scope for a sharp re-rating. Without the full year's contribution from Concrete of £580,000, profits would have fallen by around 15 per cent. That 28 per cent, stake has now been sold since the year end in National Chemical Industries for a profit of £1.55m. This should help reduce the total borrowings of £6.8m, of which over two thirds are short term. On the trading front private estate development showed weaker margins, for while prices rose 9 per cent, material costs jumped by 13-20 per cent. And in the local authority housing market, contracts in hand are down nearly three tenths to £12m, although civil engineering activities have around 15 months work contracted forward. Overseas work is so far making a nil contribution. With no real prospect of an early return to profit the shares at 38p and selling at a price of £1.30, with a 4.8 per cent yield, are full valued.

comment

Although Bryant Holdings' stockmarket rating continues to be influenced by the pending corporation trial, last year's trading performance leaves little scope for a sharp re-rating. Without the full year's contribution from Concrete of £580,000, profits would have fallen by around 15 per cent. That 28 per cent, stake has now been sold since the year end in National Chemical Industries for a profit of £1.55m. This should help reduce the total borrowings of £6.8m, of which over two thirds are short term. On the trading front private estate development showed weaker margins, for while prices rose 9 per cent, material costs jumped by 13-20 per cent. And in the local authority housing market, contracts in hand are down nearly three tenths to £12m, although civil engineering activities have around 15 months work contracted forward. Overseas work is so far making a nil contribution. With no real prospect of an early return to profit the shares at 38p and selling at a price of £1.30, with a 4.8 per cent yield, are full valued.

Staffs. Potteries sees advance

FROM ITS capital investment programme Staffordshire Potteries (Holdings) will have the production resources to follow through on its long-term world-wide sales drive, and the directors look forward to another year of progress, Mr. C. W. Bowers, the chairman, tells members.

However, he points out that, unless inflation can be brought under control, the directors would be very concerned to see the company continue to float up in value in relation to other currencies. To remain competitive under these circumstances would lead to an erosion of margins. They, therefore, hope that the encouraging trend seen in purchase costs continues.

During the current year a consumer advertising programme will be launched in the U.K. and overseas sales staff has been substantially expanded to increase sales in Europe, North America, Australia and the Far East.

Taxable profit for the year to June 30, 1977, climbed to £1,080m (£702,000) on sales of £9.6m (£7,44m) with the export content up from £2.15m to £2.25m, as reported on September 19. Net dividend is raised to 3.55p (3.16p equivalent) per 25p share.

On a current cost accounting basis there would have been an additional cost of sales charge of £183,000 (£128,000) against profit.

At year end net cash outflow totalled £156,000 (£39,000) and bank loans and overdrafts were up at £115,000 (£49,000). Capital commitments amounted to £70,000 (£63,000) of which £10,000 (£10,000) had been authorised but not contracted.

A geographical analysis of turnover shows, with 000s omitted: U.K. £6,267 (£4,601); North America £1,132 (£1,058); Europe £1,485 (£1,021) and other areas £711,000 (£421,000).

Profits earned in Canada during 1976-77 were lower but the directors expect the country will continue to be an important and profitable market. An increase in profitability is expected in the U.S. in the coming year.

All building and plant installation works associated with the expansion of dinnerware production are complete and increased production is being achieved. Other investment on updating and re-equipping all production units is expected to be finished on schedule, Mr. Bowers says.

Meeting, Stoke-on-Trent, on November 8, at 12.30 p.m.

Campbell & Isherwood better so far

Announcing first half pre-tax profit marginally ahead from £173,000 to £287,000 the directors of electrical engineers Campbell and Isherwood forecast a continuing increased profit trend for the second six months of 1977.

They say that the improvement in the half year was satisfactory as the comparative figure included Regional Employment premiums of £44,000. The Government proposed to pay these premiums for the current year. Trading results excluded any profits or losses from trading in Qatar.

With the tax charge held at £150,000 net profit emerged at £137,000 (£123,000). Last year a net dividend of 2.72p was paid from record profit of £0.8m.

M. P. Kent optimistic

Mr. M. P. Kent, the chairman of M. P. Kent, property developers, says in his annual statement that in the present circumstances forecasting is extremely difficult but it is hoped

that the demand for new housing and property will increase with the country's economic recovery. As reported on October 13 sales for the year to August 30 dropped from £14,86m to £9,04m and pre-tax profits more than halved from £1.8m to £0.82m. The directors pointed out that there were substantial commercial property sales in 1975-76. The dividend is lifted to 2.06p (£1.55p) with a final of 1.46p net.

Current housing returns are showing some easing of the situation, Mr. Kent says and with improved margins, lower interest and mortgage rates and the availability of mortgage funds, the company remains optimistic. On the property development side, demand for prime investments from institutions has continued and the letting market, particularly warehouse and industrial, is improving, he adds.

Cash flow remains strong and, with current borrowing arrangements, provides adequate facilities for the acquisition of selective sites for industrial developments and increasing the level of development of the company's existing land bank.

Working capital decreased by £33,034 compared with an increase of £10,45m.

Meeting, The Towers, Bath on November 18 at noon.

Marginal rise at R. & A. G. Crossland

Manufacturers of electric lighting equipment, R. & A. G. Crossland reports a marginal rise in pre-tax profits from £231,600 to £263,925 for the first half of 1977 on turnover of £2.56m.

After tax of £137,200 (£130,800) earnings are shown at 1.88p (1.51p) per 5p share and the interim dividend is lifted from 0.85p to 0.4p net. Last year's total was 1.25p paid from pre-tax profits of £533,644.

The retained balance for the half-year is £94,725 (£92,800). Lower sales of lighting division reported for last year have continued into this year, say the directors, but the other divisions have more than offset this and some success has been achieved both in obtaining new customers and in extending the product range.

Public Works Loan Board rates

* Non-quota loans R are 1 per cent, higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Equal repayments.

Effective from October 22.

Years	Quota loans repaid at		Non-quota loans A* repaid at	
	by EIP†	by ERT‡	by EIP†	by ERT‡
Up to 5	7 1/2	8 1/2	16	10 1/2
Over 5, up to 10	9	10 1/2	10 1/2	11 1/2
Over 10, up to 15	10 1/2	11 1/2	11 1/2	11 1/2
Over 15, up to 25	11 1/2	11 1/2	11 1/2	12 1/2
Over 25	11 1/2	11 1/2	12 1/2	12 1/2

MONEY MARKET

Exceptional assistance

Bank of England Minimum Lending Rate 5 per cent. (since October 14, 1977)

Day-to-day credit was in short supply again in the London money market yesterday, and the authorities gave an exceptionally large amount of assistance by buying an extremely large number of Treasury bills from the discount houses, and a small amount of local authority bills. The Bank of England also lent a moderate amount overnight, to four or five houses, at Minimum Lending Rate of 5 per cent.

Banks carried forward large surplus balances, but this was outweighed by a net market take-up of Treasury bills, an increase in the note circulation, the residue of the call on 9 1/2 per cent Treasury 1983, settlement of kit-edged sales, repayment of the previous day's market advances, and the major factor, which was a very large excess of revenue payments to the Exchequer over Government disbursements.

Discount houses paid 4 1/2 per cent for secured call loans in the early part, and closing rates were also in the region of 4 1/2 per cent, although some balances were taken at around 4 per cent. In the interbank market overnight loans opened at 4 1/4 per cent, and touched 8-10 per cent in places, before closing at 4 1/2 per cent.

Rates in the table below are nominal in some cases.

	0-25	Starting Certificate of deposit	Autobank of deposits	Local Authority deposits	Local Authority negotiable bonds	Finance House deposits	Commercial deposits	Discount houses	Treasury bills	Overnight Bank Bills	Prime Term Bills
Overnight	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
One month	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Three months	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Six months	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
One year	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2

Local authorities and finance houses serve daily notice, others seven days' notice. * Longer-term local authority mortgage rates normally three years 8 1/2 per cent, four years 9 1/2 per cent, five years 10 1/2 per cent. † Prime rates for four-month bank bills 4 1/2 per cent.

Approximate selling rate for one-month Treasury bills 4 1/2 per cent; two-month 4 1/2 per cent; and three-month 4 1/2 per cent. Approximate selling rate for one-month bank bills 4 1/2 per cent; two-month 4 1/2 per cent; and three-month 4 1/2 per cent.

Finance House Bank Rate 10 1/2 per cent. Clearing Bank Rate for London 8 per cent. Treasury Bills: Average tender rates of discount 4 1/2 per cent.

Which of the three largest construction companies in the UK has over half its assets in building materials and natural resources?

Tarmac

Some companies are big in construction. Others are big in building materials and natural resources. Tarmac is big in both.

Every day we work on as many as 700 building and civil engineering contracts in the United Kingdom and around the world.

We own over 100 quarries with reserves of 3000 million tonnes of stone.

We have recently added to our nationwide network of pre-mixed concrete plants.

We're Europe's largest manufacturers of waterproofing materials for the building industry.

All this gives us a unique strength in the construction industry.

Rich in resources. Big in construction.

Australian Utah checked in September quarter

BY KENNETH MARSTON, MINING EDITOR

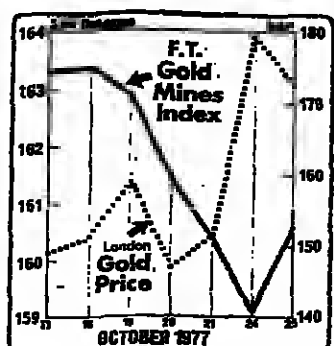
AUSTRALIA'S MOST profitable company, Utah Development Corporation, is headed for higher earnings in 1977 despite a slowdown in September. The coal and iron ore concerns have been affected by lower demand from overseas steel customers, because of the depressed state of the world steel industry, and a lengthy strike by the Seamen's Union over the manning of ships.

As a result of the strike UDC suspended work on July 1 on the major elements of construction for its large new coal mine, Norwich Park in Queensland. The suspension remains in force, reports our Sydney correspondent.

UDC's profit for the September quarter was \$433m, (121m or \$41m more than for the same period of last year. The total for the past nine months is \$1.16m compared with \$1.09m a year ago.

The company earned \$137m in 1976—the largest profit ever recorded in Australia. If earnings are maintained in the current quarter, the profit will be around \$150m—but earlier this year the company appeared headed for somewhere between \$170m and \$180m.

Utah Mining Australia (UMA), the listed associate, which has a 12.5 per cent direct and indirect interest in the coal mining activities of UDC and its minority Japanese partner, Nitsubishi, lifted earnings for the latest quarter to \$17.7m, from \$14.36m a year ago, taking the nine-month total to \$146.6m, from \$146.5m. The U.S. Utah International owns 88.2 per cent. of UDC.



Following the heavy reversal that has followed South Africa's political repression measures, gold shares staged a sharp recovery yesterday. Prices closed below the highest levels when sellers reappeared, but the rally was still sufficient to lift the Gold Mines Index by 11.9 to 152.5. Paradoxically, the bullion price reacted after its recent strong advance to close 75 cents off at \$163.25 per ounce.

are Australian Consolidated Minerals and Metramar Minerals. There was an operating loss of \$1.86m, in the mine's first year to June.

Production in the past quarter amounted to 150.25 kilograms gold and 291.8 tonnes of antimony concentrates compared with budgeted totals of 190.2 kgs. and 418.7 tonnes, respectively. Metallurgical improvements have continued, resulting in increased metal recoveries, but unsold stocks of antimony have been accumulated following a downturn in the market for the material.

At least, this troubled venture will be helped by higher bullion prices in the current quarter. Australian Anglo has a 7.97 per cent stake in it with 7.98m shares earlier in the month. Yesterday BH South were 92p and NBH were 97p.

ROUND-UP

Buying of the shares of Australia's BH South by North Broken Hill continues, possibly as a move to ward off attempts to take over the currently struggling sister company. NBH says that as of October 24 it had raised its stake in BH South to 8.32m shares, or 15.3 per cent, from 7.98m shares earlier in the month. Yesterday BH South were 92p and NBH were 97p.

Further purchases have been made of the Australian AAR coal mine group's shares by CSR as part of the latter's take-over aims. CSR announces that it now owns 34.3 per cent of AAR's 25.85m shares. CSR is bidding \$4.50 cash, or one CSR share plus \$1.30 cash, for every two shares in AAR. The latest purchases in the market, however, were made at \$4.20 per share.

FURTHER LOSS AT BLUE SPEC.

A further operating loss of \$1,152,571 (197,000) has been incurred during the past quarter by the Blue Spec gold-antimony mine in Western Australia which is managed by Australian Anglo American. The other partners

Electronic warfare growth area for Decca

AT THE AGM of Decca, Sir Edward Lewis, the chairman, told members that group results for the first half of the current year should be comparable with last year's £5.5m, and further growth is expected for the full year.

Looking further ahead he said Decca "which has never lacked ideas, nor the resources required to develop them."

The chairman told the meeting that perhaps of the greatest importance to Decca is the world's potential in electronic warfare systems.

"To-day, the world market for this type of military electronics is massive and we are one of the world's leading companies already producing equipment to over 18 navies."

On airborne electronic warfare equipment he said the group is undertaking major research and development programmes for the U.K. Government for both fixed and rotary wing aircraft.

"The group has already received an important order for the production of the equipment and other large contracts are expected."

"I have no doubt that electronic warfare is now a major growth area for Decca," declared the chairman.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held on the second or third business days of the month.

Decca: 11.11.77

Imperial Cold Storage and Supply: 11.11.77

London Tea: 11.11.77

Metramar Minerals: 11.11.77

Utah Development Corporation: 11.11.77

Utah Mining Australia: 11.11.77

Imry Property Holdings in three-four weeks time.

Evans and Owen—Meeting to be held next week to consider accounts for year to March 31, 1977 and to issue results. Delay due to obtaining information from Amsterdam Co. This company has ceased trading and the problem should not occur again next year.

S. C. Banks hits peak £625,000

GRAIN MERCHANTS and seed specialists, S. C. Banks reports taxable profits advanced for the year to May 31, 1977, on increased turnover of £38.68m.

At the midway stage, profits ahead from £15,000 to £14,000 were reported by the directors, who said that it would be unrealistic to assume that the second half figures would match those for the first six months.

After tax of £171,000 (£65,000) stated earnings dropped from 17.1p to 15p per 25p share, while a final dividend of 3.5p (15s the total to 3.6p (3.3p) net.

There has been a change in accounting policy in relation to deferred tax, with no provision being made unless there is a reasonable probability that deferral will not continue in the foreseeable future. This is reflected in the comparative figures for 1975-76.

B. & I. Nathan nears £0.2m. at halfway

On turnover ahead £0.7m, to £3.07m, taxable profits of furniture manufacturers B. & I. Nathan jumped to £100,000 for the 26 weeks to July 1, 1977, compared with £82,000 for the corresponding 26 weeks of 1976.

The interim dividend is maintained at 1p net—last year's total of 1.5p net—paid from £183,474 profits.

Tax took £98,500 (£2,640) in the half year and £73,711 (£20,811) was retained.

Peak acquires 13% of Burdene

CARAVAN CHASSIS manufacturers, Peak Investments, has acquired a 13 per cent stake in Burdene Investments, which has been widely dispersed in the market.

GLYNWED'S £44M. ROLLING MILL PURCHASE

In a deal worth some £44m, Glynwed has acquired 81 per cent of the capital of Stourbridge Rolling Mills.

SRM is a holding company for three subsidiaries whose main activities include the manufacture of bright steel and strip and steel products. The acquisition of SRM will give Glynwed a 73 per cent stake in the 12 months to last November, but as a result of a strike at its Stockport works this division's profit contribution dropped to £28,500 from £174,000 the previous year.

Both companies also have interests in property development and investment. In Peak's last accounts property accounted for 27.7 per cent of the trading profits, while Burdene's property sale produced £102,000.

The valuation of the shares issued by Burdene as part of yesterday's purchase, compares with a market price yesterday of 174p.

HARRISONS & CROSFIELD

Harrisons and Crosfield, has agreed to acquire 1,199 of its outstanding Ordinary shares in Dorham Chemical Group in consideration of the issue to the holders of 4,481 Ordinary shares of H. and C. The new shares will rank for all dividends in respect of financial periods commencing after December 31, 1976.

After this acquisition H. and C. will own 93.3 per cent of the Ordinary shares of Dorham Chemical.

MORGAN GRENFELL IN AUSTRALIA

THE MERCHANT banking group, Morgan Grenfell, has taken a 25 per cent stake in the money market operations of the AMP Society in Australia.

The deal, which was at AMP's invitation, involves the establishment of a company, Morgan Grenfell Australia, as a company offering a full range of financial services with the exception of banking and loan facilities.

Mr. Peter Cadbury, a director of Morgan Grenfell in London, explained yesterday that the group would not be going into banking as such because this would overlap with AMP's existing business. Instead, MGF expects to concentrate on corporate advice, and Eurocurrency and Asian Bond issues.

Mr. Cadbury said that Morgan Grenfell believes the Australian economy "has a bright future long term."

Two other British merchant banks, Hill Samuel and Schroder Wagg, already have important branches in Australia.

MR. HORSMAN SELLS D. DIXON STAKE

Mr. Malcolm Horsman has sold the 17 per cent stake in the David Dixon textile group which he bought in February. Between then and now the shares have risen from around 34p to 54p in response to strong recovery in Dixon's trading pattern and Bank Bridge Securities has finally paid Dixon the £700,000 it owed.

Dixon claims not to have had

DCM DIRECTORS SELL 1M. SHARES

Mr. Richard Beecham and Mr. Basil Feldman, the joint managing directors of the Duncombe-Marx toy company, who started the business with £500 capital 30 years ago, have each sold 500,000 of their shares for some £250,000.

The shares disposed of, representing roughly a quarter of the holdings previously controlled by each seller, were placed with institutions by the company's joint brokers, Grieseman Grant and Joseph Sebag. Mr. Beecham said last night that his shares had been placed within two hours "more or less at the market price."

Yesterday the price fell 6p from its 1977 high of 176p to 170p.

Mr. Beecham remarked: "This is the first time we've ever cashed out on anything like this scale."

"One works hard and wants to have a certain amount of comfort for his wife as good a time to sell as any. They have no capital gains tax and other tax bills to be paid."

As to the remaining proceeds, Mr. Beecham said he was going to put that into some other investment or property or antique—not into another commercial company.

The announcement of the sale stated: "Both managing directors after these sales still beneficially hold on their own account a number of their shares in the near future."

ASSOCIATES DEALS

Robert Fleming and Co. bought on behalf of Warren Plantation Holdings 2,500 Supara Investments at 64.53p. Robert Fleming on October 20 sold for an associate, £11,000 British Investment Trust 31 per cent Preference stock at 57 1/2 ex dividend; and on October 19 for an associate bought £1,000 BIT 31 per cent Preference stock at 51.

A. Greenwell and Co. on behalf of Fruehauf International bought 365,000 Crane Fruehauf at 70p.

Rome and Pitcairn Hurst-Brown bought for an associate of British Investment Trust 3,000 BIT shares at 162 1/2p.

Simon and Coates sold 100,000 Ordinary shares in Peasebay Property Corporation at 73p on behalf of an associate of Peachey.

LINDUSTRIES

Shortly after the failure of the Hanson Trust to obtain control of Lindustries, Mr. W. E. Luke, the chairman of Lindustries has sold nearly half his personal share stake. He announced yesterday that he had sold 25,000 shares at 140p.

O. C. SUMMERS

The London and European Group offer for O. C. Summers

U.K. interest rates 'unlikely to rise this year'

BY OUR ECONOMICS CORRESPONDENT

INTEREST rates in the U.K. seem unlikely to move up much before early next year when the expected upturn in the economy and loan demand should begin to materialise, according to Williams and Glyn's Bank.

In its latest monthly summary of European interest rates, the bank takes this view even though the latest money supply figures show a sharp increase.

The bank says that the generally depressed economic position in Europe, weak loan demand and falling rates of inflation in most countries indicate restraint in interest rates in the major economies for some time ahead.

The view of the U.S. is that after the recent rise in the major banks' prime rates, interest rates "are now delicately poised between the need to control money supply and to stimulate business revival."

Changes in official interest rates in Europe in the month to mid-October were confined to Finland, the U.K. and Ireland. Bank rate in Finland was cut by 1 point to 3.25 per cent, on October 1. Minimum Lending Rate in the U.K. fell by 1.5 points in the period to cent, while Ireland's bank rate was reduced by 1.5 points per cent.

German and Dutch market rates, which peaked during the month, but for technical reasons, according to the bank, are for some furthering in rates. The discounting in Germany has been increasing at 3.5 per cent for more than two years.

Sales levy to finance motorcycle training

BY OUR TRANSPORT CORRESPONDENT

A LEVY of £3 for every motorcycle and £2 for every moped sold in Britain from next April—to be paid by manufacturers or importers—will be made in finance a new training scheme designed to bail the sharply rising number of accidents involving two-wheel vehicles.

The scheme to be administered by the Birmingham-based Schools Traffic Education Programme, will have an estimated budget of £500,000 a year and will be further supported in money, mainly in publicity, about motor-cycle safety.

The Government estimates that only 10 per cent of motorcyclists receive formal training and Mr. Rodgers believes this is directly linked to the two-wheel accident rate. In 1976, 1,000 people, mainly teenagers, were killed on motor-cycles, a 20 per cent increase on 1975.

Although broadly in line with the increased popularity of the form of travel, these figures have been a source of alarm to the Government and to industry.

Under the new scheme to be implemented with the support of local authorities, three of training will be available. It is the primary level, for a motor-cycle purchaser spend his first four hours of practice under supervision, which is deemed the most important of the safety viewpoint.

Insurance against burden of industrial legislation

BY ERIC SHORT

DETAILS of a new insurance scheme designed to protect employers against the financial and administrative burdens of employment legislation were given yesterday by the Employers' Protection Insurance Services.

The new scheme will cover employers for awards made against them by industrial tribunals for compensation. It also meets all fees and expenses arising from tribunal hearings. The cost of the insurance is determined as a percentage of the annual wages bill, varying between 0.1 and 0.25 per cent.

Commander Brian Raincock, managing director of Employers' Protection Insurance Services, said that industrial awards cost British employers £50m a year.

A single case taken to a tribunal could cost £12,000 in awards and legal costs. The Acts of Parliament had a direct bearing on employment conditions.

The law assumed that the employer was guilty in respect of complaints lodged by employees until he proved himself innocent. Even then, the employer had to face these costs.

The new insurance scheme underwritten at Lloyd's, is provided by a personnel consultants and administration services, ending legal advice to employers meet the problems of employment protection.

Bougainville outnut rising

A FURTHER rise in output is reported by the Rio Tinto-Zinc's group's Rio Bougainville Copper operation in Papua New Guinea.

During the past quarter there was a fresh increase in ore milling to 85.4m tonnes while the current gold and silver grades of the ore also rose.

As a result, the production of contained copper increased to

49,546 tonnes, making a total of 131,104 tonnes for the past nine months. The total for all of 1976 was 176,519 tonnes. As already announced, additional production facilities were due to come on stream in the latter part of this year.

Although the relatively low-cost mine is seeing a narrowing of its profit margin on copper, in line with the depressed levels of the metal price, it will be enjoying a rise in gold earnings. Bullion production last year amounted to 20,235 tonnes, or \$30.51 million. Bougainville were 75p yesterday.

BIDS AND DEALS

Panel criticises Singlo over 'misleading' statement

BY JAMES BARTHOLOMEW

THE TAKEOVER PANEL has rapped the knuckles of Singlo Holdings over a statement which it issued yesterday. The Panel has described as "misleading" Singlo's assertion that the current offer by Caparo should have lapsed under Rule 10 of the Takeover Code.

The Singlo statement recalled that the announcement of Caparo's formal bid had been made more than four weeks ago and still no offer document had been sent to Singlo shareholders. Under Rule 10 of the Code, the offer document should normally be posted within 28 days of the announcement of the terms of the offer.

Singlo had approached the Panel to ask why Caparo had been allowed an extension of this period and the answer it received was not considered "satisfactory."

The Panel responded immediately to this statement, saying that the chairman of Singlo had been aware of the previous night of the Panel's decision to allow an extension: "The Board's comment that the offers should have lapsed is therefore misleading and the Panel considers the announcement should not have been made."

In fact it is quite normal for the Panel in urgent situations to allow the 28 days allowed between the announcement of terms and the issue of the offer document. About six of the 50 outstanding bids have gone over the limit with the agreement of the Panel.

The Panel is clearly not pleased

that the unexceptional ruling it made in this case has been challenged. The extension granted to Caparo is for four days and was made on several grounds which the Panel evidently found quite adequate.

A spokesman for Caparo said last night that the reasons it had given the Panel for the delay included the diversion caused by a general meeting of Singlo which had approved the purchase of some soft drinks companies. Also the accounts of Singlo have not yet been published and the conversion dates for the conversion of the loan stock depend on the date of publication. The conversion of loan stock could have a material effect on the ownership of Singlo.

On the same day as this controversy came out, Caparo revealed how badly it had for its Empire Plantations, a company closely connected with Singlo, had gone.

Caparo announced that it had received acceptance for its Empire offer of only 3.6 per cent of the Ordinary shares and 38.2 per cent of the Preference shares. Since the conditions of the offer had not been met, the offer has lapsed.

However, Caparo is understood to be holding on to the 3 per cent of Ordinary shares and 21.4 per cent of the Preference which it acquired during the course of the offer. There are in addition to

BLUE BOAR SELLS HALMA STAKE

The Board of Halma announces that they have notified that Blue Boar (Channel Islands) associates have reached agreement to sell their share holding in Halma.

This holding, of 1,250,000 shares, represents 25.47 per cent of the capital. Blue Boar only acquired the stake at the end of July.

WM. REED SELLS LINCROFT STAKE

William Reed, the active textile company whose Board was recently joined by Dr. John Blackburn, seems to have made a good profit on its stake in Lincroft Kilgour.

Reed has sold 1,082,500 shares of Lincroft which at the current market price of 60p are worth £649,500. It was announced in April that Reed had purchased a similar number of Lincroft shares and at that time the market price was only 40p.

The directors of Lincroft appear to be among those who have acquired the shares. Their beneficial interest has risen from £70,299 to \$80,000 shares.

the 18.7 per cent and 1.1 per cent, respectively which it already held.

MR. HORSMAN SELLS D. DIXON STAKE

Mr. Malcolm Horsman has sold the 17 per cent stake in the David Dixon textile group which he bought in February. Between then and now the shares have risen from around 34p to 54p in response to strong recovery in Dixon's trading pattern and Bank Bridge Securities has finally paid Dixon the £700,000 it owed.

Dixon claims not to have had

This announcement appears as a matter of record only

The Republic of Gabon

US \$20,000,000

Medium Term Loan

Managed by

AMEX BANK LIMITED FIRST NATIONAL BOSTON LIMITED
AL SAUDI BANQUE CONTINENTAL ILLINOIS LIMITED
BANQUE NATIONALE DE PARIS

Provided by

THE FIRST NATIONAL BANK OF BOSTON
CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO
AL SAUDI BANQUE
DG BANK DEUTSCHE GENOSSENSCHAFTSBANK
AMERICAN EXPRESS INTERNATIONAL BANKING CORPORATION
AMEX BANK LIMITED
BANQUE NATIONALE DE PARIS
CREDIT DU NORD
CREDIT LYONNAIS
NATIONAL BANK OF NORTH AMERICA
BANQUE INTERNATIONALE ARABE

Agent
THE FIRST NATIONAL BANK OF BOSTON

AUGUST 1977

ATLANTIC ASSETS TRUST LIMITED

The annual report containing a review covering the major investments of Atlantic is available on request from:

Invoxy & Sims Limited, Investment Managers, 1 Charlotte Square, Edinburgh EH2 4DZ.

Atlantic is an investment Trust structured specifically to pursue capital growth for high tax payers to whom investment income is of little value.

Within this objective, the policy followed is that of making significant investments in areas which appear to have outstanding long-term growth possibilities. A large part of Atlantic's assets are invested overseas, with a particular emphasis on natural resource companies.

Financial Highlights	30th June 1977	30th June 1976
Total Assets	£,000	£,000
Net Assets	34,715	28,815
Par shares	28,625	21,625
Annual Dividend	101p	81p
	>40p	0.40p

HAGGAS

(TEXTILES)

First Quarter Statement

	3 months ended 30th Sept. 77	3 months ended 30th Sept. 76	Year ended 30th June 1977
Group Sales	£'000	£'000	£'000
Depreciation	4,145	4,573	20,299
Profit before Taxation	644	612	3,307
* Unaudited			

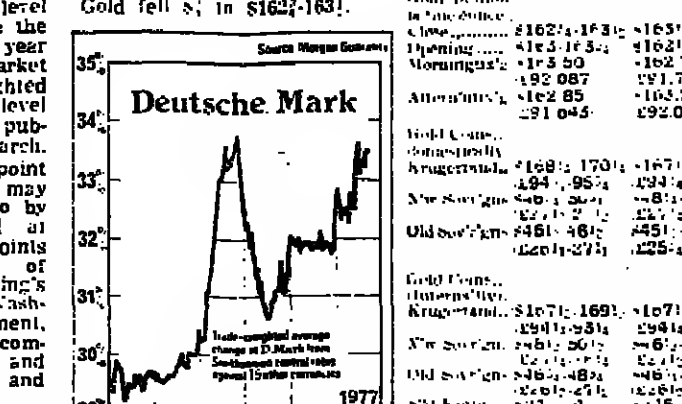
JOHN HAGGAS LIMITED

Widely lower on economic news £ at new high

BY OUR WALL STREET CORRESPONDENT A SHARP DECLINE in U.S. interest rates...

STERLING rose to its highest level since the beginning of September last year...

NEW YORK, Oct. 25. Sterling rose to its highest level since the beginning of September last year...



USDA'S ACTIVE STOCKS table with columns for Stock, Change, and Price.

Canada also weaker Further widespread falls were sustained on Canadian stock markets yesterday...

OTHER MARKETS

AMSTERDAM - Mostly in firmer fettle, although trading was slack. Pakbed gained Frs.2.90...

EURO CURRENCY INTEREST RATES

Table of Euro-currency interest rates for various banks and terms.

FOREIGN EXCHANGES

Table of foreign exchange rates for various currencies.

Indices

NEW YORK - DOW JONES table showing index values and changes.

Y. S. E. ALL COMMON

Table of Y.S.E. All Common stock prices.

EXCHANGE CROSS-RATES

Table of exchange cross-rates for various currencies.

FORWARD RATES

Table of forward rates for various currencies.

STANDARD AND POORE

Table of Standard and Poore stock prices.

MONTREAL

Table of Montreal stock prices.

EURO CURRENCY INTEREST RATES

Table of Euro-currency interest rates.

FORWARD RATES

Table of forward rates.

OVERSEAS SHARE INFORMATION

Large table of overseas share information with columns for Stock, Price, and Change.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Babcock test case for Spanish government

By Robert Graham
MADRID, Oct. 26. AN INCREASE of 15.5 per cent in the consolidated turnover of Nestlé...

Nestle sales well ahead

By David Egan
GENEVA, Oct. 25. AN INCREASE of 15.5 per cent in the consolidated turnover of Nestlé...

Setbacks for steel industry

By Stewart Fleming
UNITED STATES STEEL, the company which dominates the industry with about one quarter of the market...

Montefibre troubles continue

By Dominick J. Coyle
ROME, Oct. 25. MONTEDISON'S loss-making synthetic fibres subsidiary Montefibre, having initially refused comment...

SGI seeks finance for October salaries

ROME, Oct. 25. GENERALE IMMOBILIARE Sogeme SPA is seeking banking finance for its October salary payments...

Market giving ground

By Francis Giles
THE DEUTSCHEMARK sector of the market shed one-quarter to three-quarters of a point yesterday...

Linde relies on order book

By Guy Hawtin
LINDE, the Wiesbaden-based engineering, plant and construction group, has felt the draught this year...

ITT in France

ITT of the U.S. has received the go-ahead from the French authorities to take control of the French company Bouyer...

EUROBONDS

Selected Eurodollar bond prices and mid-day indications for various international bonds.

Advertisement for ENDASA (EMPRESA NACIONAL DEL ALUMINIO, S. A.) featuring a \$20,000,000 5-year floating rate loan and listing various international banks as agents.

Table of selected Eurodollar bond prices and mid-day indications, including columns for bond type, price, and yield.

Advertisement for TRANS OCEAN RO-RO CORPORATION offering a seven-year loan of US\$21,000,000, managed by B.A.I.I. (Middle East) Inc. and Kuwait Financial Centre S.A.K.

Financial performance summary for Shell Canada, including revenue, net profit, and per share data.

Financial performance summary for Consol. Edison of N.Y., including revenue, net profit, and per share data.

Financial performance summary for Eastern Airlines, including revenue, net profit, and per share data.

Advertisement for The Taiyo Kobe Bank Ltd. offering negotiable floating rate U.S. dollar certificates of deposit with a maturity date of 28 October 1980.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

CONTAINER LEASING

Rivals for the top

BY JOHN WYLES, IN NEW YORK

STEAD of advising the young Benjamin Braddock to make a career in plastics, the solemn message in the late Sixties was "The Graduate" might have done the job a better way by whispering the words "container leasing."

Anyone following such advice in 1968 would have had his share business problems since then, he would have had sound reasons for believing he was being a winner and that there would be such years as 1977 when growth would be explosive and profits doubled.

Containers, as we all know, revolutionised cargo shipping and international sea trade over the past 10 years. The 40-foot long steel boxes are being used to speed the transition of goods. Improve the economics of shipping and container services now operate virtually all of the world's major sea routes.

Many operators have sought a proportion of their own fleet but, with costs steadily rising, they have increasingly turned to container leasing companies to satisfy their growing requirements. Two years ago, for example, the world's largest fleet was owned by Sea Containers, closer to 45 per cent last year and now only half of the 1.5m. world container population belongs to leaseholders.

With the large container leasing companies having one of their best years ever, it is not surprising that the leasing companies should have been doing well. But this understates what is in effect a profits bonanza. Many of the eight major companies which in part a result of strong demand but also in the hands of the two industry leaders, I and Sea Containers, reflects a strategy and company infrastructure.

The two companies are by no means identical, however. CIL is concentrated on container leasing with a world-wide system of branches and three types of equipment to suit customer's needs. Sea Containers has diversified into ship leasing, has greater emphasis on leased containers and has manufacturing facilities of its own in England.

Both companies have spent heavily on the back of this boom. CIL will have laid out nearly 47,000 new containers to its fleet while Sea Containers says it will have put more than \$100m. in adding close to 27,000 containers and chassis to its complement which will be around 107,000 at year-end, compared to CIL's 150,000.

Mr. Jim Smith, CIL's executive vice-president, reckons that by the end of this year the world's container fleet will have grown between 20 per cent and 25 per cent, and the leased fleet by close to 30 per cent. With many shipping companies operating close to their credit ceilings, leasing has become a more attractive proposition, although the extent of this year's growth at the right time, to a boom year such as this one, the exposure for the container leasing company is slight and the need to reposition redundant containers minimised by general demand and the delivery of new containers.

But the potential costs were highlighted in the slump year of 1975, when repositioning charges cost CIL \$4m. or 18 per cent of its total costs and helped the company towards a \$2m. loss in that year. Mr. Smith reckons that this year repositioning costs will run to \$3m. or a tolerable 5 per cent of total costs. Spot leasing, providing con-

SEA CONTAINERS' president Mr. James B. Sherwood told a meeting of financial analysts in New York that 1977 earnings and capital expenditure estimates for the Group are on target and that the early estimate for 1978 capital expenditures was \$185m. He said that the Group's earlier \$3.00 estimate for 1977 earnings per share from operations will be announced during the first half of November.

Furthermore, because of a mandatory accounting adjustment net income for the first half of the year has been restated to become \$11.3m. (\$1.50 per share) compared with \$10.7m. (\$1.42 per share) reported earlier. Third quarter results will be announced during the first half of November.

was a little surprising. "We thought that 1977 would be a good year and that there would come a stage when CIL's profits would really lift off and so far we could not have hoped for anything better," adds Mr. Smith, whose company is now confident that it will double last year's pre-tax earnings of \$10.4m.

Apart from offering the flexibility to cope with the cyclical demands for cargo space, leasing has important financial and operational attractions for shipowners. In the first place it removes a formidable requirement for capital. CIL estimates that on present values, equipping three medium sized container ships with a capacity of 1,000 units each could amount to more than \$20m. If the vessels were used on the North Atlantic with leased containers, the projected saving would be more than \$2m. a year, partly due to the elimination of debt service payments and partly because of the terms of a CIL speciality, The Master Lease.

MEDIUM TERM CREDITS

Bankers favour longer dates

BY FRANCIS GHILES

SOME BANKS, which are concerned at the extent to which spreads over Libor have been falling of late, are trying to convince their clients that lengthening maturities might be a good idea rather than pushing for the finest spread over Libor possible. This seems to be what has happened with the latest French loan, \$30m. for ten years for CDF Chimie, the chemical arm of the state coal company, Charbonnages de France.

The loan carries a split spread: 3 per cent for the first five years rising to 1 per cent for the last five. There is no Republic of France guarantee for this credit which is led by Société Générale.

Another ten year credit is the \$100m. loan for the African Development Bank which is led by Citicorp. It is managed by Chase Manhattan and First Boston (Europe). The spread over Libor is 1 1/2 per cent for the first five years, rising to 1 1/4 per cent for the following two and 1 1/2 per cent for the last three.

Indeed, many banks still have on their books long term loans, agreed in the early Seventies at low spreads which they would like to renegotiate. At least shorter term maturities allow for renegotiation. Other banks argue that they still prefer to get a higher return on longer maturities. Hobson's choice really.

Where spreads and maturities are concerned, bankers are in somewhat of a predicament. Lengthening maturities as a means of halting the fall in spreads does not provide a solution.

Indeed, many banks still have on their books long term loans, agreed in the early Seventies at low spreads which they would like to renegotiate. At least shorter term maturities allow for renegotiation. Other banks argue that they still prefer to get a higher return on longer maturities. Hobson's choice really.

Where spreads and maturities are concerned, bankers are in somewhat of a predicament. Lengthening maturities as a means of halting the fall in spreads does not provide a solution.

Indeed, many banks still have on their books long term loans, agreed in the early Seventies at low spreads which they would like to renegotiate. At least shorter term maturities allow for renegotiation. Other banks argue that they still prefer to get a higher return on longer maturities. Hobson's choice really.

Where spreads and maturities are concerned, bankers are in somewhat of a predicament. Lengthening maturities as a means of halting the fall in spreads does not provide a solution.

Indeed, many banks still have on their books long term loans, agreed in the early Seventies at low spreads which they would like to renegotiate. At least shorter term maturities allow for renegotiation. Other banks argue that they still prefer to get a higher return on longer maturities. Hobson's choice really.

Where spreads and maturities are concerned, bankers are in somewhat of a predicament. Lengthening maturities as a means of halting the fall in spreads does not provide a solution.

Indeed, many banks still have on their books long term loans, agreed in the early Seventies at low spreads which they would like to renegotiate. At least shorter term maturities allow for renegotiation. Other banks argue that they still prefer to get a higher return on longer maturities. Hobson's choice really.

Better forecast for Sime Darby

SINGAPORE, Oct. 25.

SIME DARBY Holdings Chairman Tan Siew Sin said group results for the current year should show an improvement over the year ended last June 30.

Tan said in the company's annual report that the group's financial strength provided a base and an opportunity for future growth.

"Sime Darby must expand and one of the obvious channels is downstream into activities related to our plantation interests."

Under the contracts, Pertamina will bear 50 per cent of the cost of exploration, investment and production, and receive half of the oil produced.

Malayan Banking rise KUALA LUMPUR, Oct. 25. GROUP NET PROFIT of Malayan Banking was 16.9m. ringgits (13.8m. ringgits) for the year ended June 30, Reuter reports. Parent company net profit was 15.12m. ringgits (13.41m. ringgits).

The final dividends is 11.5 per cent (same) less tax, making a total of 17.5 per cent (same).

Group deposits were 3.05m. ringgits (2.15m. ringgits) and loans and advances 1.39m. ringgits (1.22m. ringgits).

Ampol Exploration UNAUDITED NET operating profit of Ampol Exploration for the year to September 30 rose from \$43.3m. to \$43.6m. The company said the Government's new crude oil price policy, announced on August 16, came too late to have any real impact on the year's profit, but profit in the current trading year should be approximately double, reports Reuter.

The dividend is 3.75 cents. There was no payment last year.

Under the contracts, Pertamina will bear 50 per cent of the cost of exploration, investment and production, and receive half of the oil produced.

Malayan Banking rise KUALA LUMPUR, Oct. 25. GROUP NET PROFIT of Malayan Banking was 16.9m. ringgits (13.8m. ringgits) for the year ended June 30, Reuter reports. Parent company net profit was 15.12m. ringgits (13.41m. ringgits).

The final dividends is 11.5 per cent (same) less tax, making a total of 17.5 per cent (same).

AUSTRALIAN COMPANIES Westralian bid for CSBP

BY JAMES FORTH

SYDNEY, Oct. 25.

THE WESTRALIAN Farmers' Co-operative Limited has come up with a \$A60m. takeover bid — one of the largest in Australian corporate history — to acquire the state's only fertiliser group, CSBP and Farmers Limited. The deal was put together over eight months by Westfarmers' directors and the merchant bank Hill Samuel Australia, which is financing Westfarmers, CSBP and Farmers dates back to 1940 when Canning Smith, which is now an investor in fertiliser companies, joined with Mount Lyell Mining and Railway Company, to build a fertiliser works near Perth.

In 1929 a third partner, Westralian Farmers Superphosphate Limited, came in to represent the interests of farmer users of the company's products. In 1964 British Petroleum bought out Mount Lyell and the name was changed to CSBP and Farmers. In addition to several fertiliser plants throughout Western Australia, the company also owns 20 per cent of Kwinana Nitrogen, which makes ammonia and nitrogen, with British Petroleum holding the remaining 80 per cent.

Westfarmers is a co-operative with more than 16,000 farmers as members while WFS is a company with about 9,500 farmer shareholders, many of them also members of the co-operative. There are close links between the two groups at Board level. Westfarmers is offering Canning Smith and British Petroleum 15 per cent on capital.

South Atlantic steady JOHANNESBURG, Oct. 25. SOUTH ATLANTIC CORPORATION, one of the key holding companies in the Anlovaal group, with interests mainly in trawling and food, raised turnover strongly from R205m. in the year to June 30, but profit was little changed, R0.3m. up to R7.5m. Earnings per share marked time at 32c, and the dividend was maintained at 16c, putting the shares at 115c on a yield of 13.9 per cent.

The chairman, Mr. Basil Herson, regards the results as satisfactory, with the economy moving into its third year of recession and "extremely difficult conditions being encountered" by all operating subsidiaries. He says that the time is fast approaching when, despite the possibilities of further inflation, the Government must give serious consideration to some stimulation of the economy. Last year's results would have been better but for poor profits from Irvin and Johnson, which accounted for R143m. of turnover but only R17m. of profit, against R45m. the previous year. The decline, due to poor fish catches and low yields from the company's vegetable processing plant, offset gains elsewhere in the group, notably by tea and coffee distributors T. W. Beckitt.

The rise in turnover, plus some expenditure on fixed assets, has not been achieved without financial strain. Total intangible assets are up from R15m. in 1976, and the debt equity ratio has risen from 24 per cent to 40 per cent.

Rights issue for IDB

BY L. DANIEL

TEL AVIV, Oct. 25.

ISRAEL DISCOUNT BANK Bankholding Corporation will hold an extraordinary meeting on November 15 to increase its registered capital from ILS1.15bn. (some \$US115m.) to ILS2bn. (just over \$US200m.) following the publication of the bank's balance sheet for End-June, which showed an 18 per cent rise over December 31, 1976, to \$US1.43bn.

The capital expansion is to be achieved by the creation of \$2.5m. ordinary shares of face value of ILS20 (\$US2), a further ILS300m. is to be raised by a public issue and a rights issue.

Chem. and Fertilisers upswing BY OUR OWN CORRESPONDENT TEL AVIV, Oct. 25. CHEMICALS AND Fertilisers of Haifa, a part of the Israel Chemicals Group, reports that its plants produced at full capacity during the past fiscal year with the result that exports, in real terms, increased by more than 60 per cent to \$6.5m. while after-tax earnings rose by 17 per cent to just under \$1m.

However as in 1975-76, no dividend has been declared. Nevertheless, trading in the company's shares has been very active, the turnover in the first nine months of 1977 having come to treble the aggregate trading volume on the four-year period 1972-76.

This announcement appears as a matter of record only



Saudi Rials 150,000,000

COMPAGNIE NATIONALE ALGERIENNE DE NAVIGATION

8 1/2% Guaranteed Notes due 1987

Unconditionally and Irrevocably Guaranteed by

BANQUE EXTERIEURE D'ALGERIE

B.A.L.I. (MIDDLE EAST) INC.

CITICORP INTERNATIONAL GROUP

RIYAD BANK LIMITED

ARAB PETROLEUM INVESTMENTS CORPORATION

BANQUE DE L'INDOCHINE ET DE SUEZ

ABU DHABI INVESTMENT COMPANY

ALGEMENE BANK NEDERLAND N.V. (Bahrain Branch)

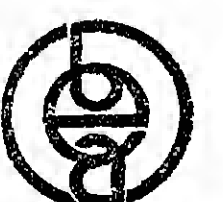
ARAB FINANCE CORPORATION S.A./AL SAUDI BANQUE

KUWAIT FOREIGN TRADING CONTRACTING & INVESTMENT CO. (S.A.K.)

BANK AL JAZIRA

SOCIETE GENERALE, BAHRAIN BRANCH

This announcement appears as a matter of record only



Bahraini Dinars 12,000,000

COMPAGNIE NATIONALE ALGERIENNE DE NAVIGATION

8 1/2% Guaranteed Notes due 1987

Unconditionally and Irrevocably Guaranteed by

BANQUE EXTERIEURE D'ALGERIE

B.A.L.I. (MIDDLE EAST) INC.

ABU DHABI INVESTMENT COMPANY

ARAB BANK FOR INVESTMENT AND FOREIGN TRADE—ABU DHABI

CITICORP INTERNATIONAL GROUP

ALGEMENE BANK NEDERLAND N.V. (Bahrain Branch)

GULF INTERNATIONAL BANK B.S.C.

KUWAIT INVESTMENT COMPANY (S.A.K.)

WARDLEY MIDDLE EAST LIMITED

AL AHLI BANK OF KUWAIT K.S.C.

ARAB FINANCE CORPORATION S.A./AL SAUDI BANQUE

THE ARAB INVESTMENT COMPANY S.A.A. (RIYADH)

THE NATIONAL BANK OF KUWAIT S.A.K.

THE NATIONAL COMMERCIAL BANK (SAUDI ARABIA)

UNION DE BANQUES ARABES ET EUROPEENNES—L.B.A.E. (Société Anonyme)

New Zealand to ban Japanese fishermen

NEW ZEALAND will ban Japanese fishing boats from its 200-mile zone after April, Prime Minister Mr. Robert Muldoon said today.

Barents Sea fishing pact

RUSSIA AND Norway have divided between Russia and agreed on Barents Sea fish quotas for 1976.

Campaign to boost U.K. tea demand

A MAJOR three-year campaign to boost tea sales in Britain is to be launched by the Tea Council starting on November 1.

Reforming the beef regime

THE NEED to reform the EEC's Common Agricultural Policy is a familiar slogan in every British politician's vocabulary.

U.K. meat prices cheaper

Beef is cheaper now than it has been since the peak prices reached last November.

Tin prices at new peaks

TIN PRICES rose again to new peaks on the London Metal Exchange yesterday.

Grain stocks 'will fall to 177m. tonnes'

THE U.N. Food and Agriculture Organisation has reduced its forecast for world cereal stocks at the end of the 1977-78 season.

Reforming the beef regime

The initial reaction from the rest of the Community has not been enthusiastic.

U.K. meat prices cheaper

since mid-August, are showing signs of falling too.

Tin prices at new peaks

Under the classic British arrangement, the U.K. beef market was allowed to find its own price.

Grain stocks 'will fall to 177m. tonnes'

Organisation has reduced its forecast for world cereal stocks at the end of the 1977-78 season.

COMMODITY MARKET STANDARDS AND PRICES

Table with multiple columns listing commodity prices for metals, oil, and other goods.

PRICE CHANGES

Table showing price changes for various commodities like wheat, sugar, and oil.

NICKEL 'DUMPED' LEGAL THREAT

OTTAWA, Oct. 22. Canada is studying the legality of legal action under General Agreement on Trade and Tariffs (GATT).

1. G. index Limited 01-331 3466. January coffee 1614-1630

2. The commodity futures market for the smaller investor

CANADIAN COMPANY

Producing specialty papers, privately owned, established in 1954. 23 years record of profits and expansion, \$15 million sales, coast to coast.

ENGINEERING COMPANY WANTED

A substantial turnover in established products with profitability is looked for, but any serious proposal will be carefully considered.

ENGINEERING VALVE BUSINESS FOR SALE

Following rationalisation of its products a large engineering group wishes to dispose of its long-established engineering valve activities as a going concern to a purchaser with under-utilised manufacturing capacity.

PUBLIC NOTICES

- BAINSLY BROUGH COUNCIL. BARNESBOROUGH COUNCIL. EAST SUSSEX COUNTY COUNCIL. GOSWORTHY COUNCIL. KNOWLES DISTRICT COUNCIL. LOCAL AUTHORITY BILLS.

SILVER

Silver was held up in an ounce higher for spot delivery in the London market.

COCAOA

Over October was major influence on prices. Pronounced strength in cocoa prices was way to weakness with fluctuations.

GRAINS

LONDON FUTURES (GAPFA) - Market quiet but steady in early morning.

WOOL FUTURES

LONDON - Steady, reports scarce. Slightly higher in early morning.

MEAT/VEGETABLES

BRITFIELD - Market quiet. Beef prices steady.

JUTE

BUNEOE - Market quiet. Jute prices steady.

CLUBS

Various club notices and advertisements.

U.S. Markets

Table showing U.S. market prices for various commodities.

FINANCIAL TIMES

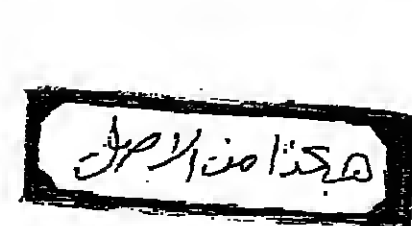
Table with financial data and exchange rates.

REUTERS

Table with Reuters market data.

DOW JONES

Table with Dow Jones index data.



GENERAL MINING GROUP THE GRIQUALAND EXPLORATION AND FINANCE COMPANY LIMITED

(Incorporated in the Republic of South Africa)
REPORT FOR THE QUARTER ENDED
30 SEPTEMBER 1977
UNAUDITED CONSOLIDATED RESULTS OF THE GROUP

	Quarter ended 30.9.77	Quarter ended 30.6.77	Financial year to date 30.9.77	Previous financial year to date 30.9.76
Operating results				
Development—metres	1,580	1,285	4,032	2,193
Ore milled—tons	198,000	200,000	566,000	348,000
Fibre produced—tons	20,506	18,124	55,827	40,280
Percentage fibre recovered	10.4	9.1	9.9	11.6
Revenue per ton	R532.0	R518.9	R522.1	R420.2
Production costs per ton	R233.9	R235.7	R232.7	R222.9
Selling costs per ton	R96.3	R91.3	R91.5	R65.8
Financial results				
Operating profit	R'000 3,100	R'000 4,001	R'000 9,850	R'000 5,604
Profit after tax from mining subsidiaries	168	100	409	412
Add: Interest received—net	3,268	4,101	10,089	6,006
	82	106	250	115
Profit before taxation	3,360	4,207	10,339	6,121
Provision for taxation	856	917	2,501	1,258
Net profit after taxation	2,504	3,290	7,838	4,863
Capital expenditure				
Prospecting expenditure	1,308	634	2,522	2,766
Loan levy	88	156	338	155

Consolidated results are given, as information relating to the company only could be misleading.

Financial results are based on actual fibre shipments which vary from month to month and do not necessarily bear a direct relationship to production and sales for the year. Operating results relate to the activities of group mines only, while financial results reflect sales of fibre from group mines as well as sales of other producers.

Interim dividend No. 52 of 24 cents per share was paid on 18 August 1977.

On behalf of the Board
C. H. WALTERS
L. K. JOOSTE Directors

Registered Office:
5 Holland Street,
Johannesburg 2001.
October 1977

The problems of pesticides

By KEVIN DONE, Chemicals Correspondent

THE CHEMICAL industry is searching long and hard for ways of counteracting the growing impact of Government legislation on its affairs—arousing suspicion among environmentalists and ecologists. Many sectors of the industry have been vocal in their condemnation of what they see as the unreasonable demands of health and safety authorities and have claimed that research is being stunted by the need to channel investment into the often unnecessary and unproductive work of product registration. But behind the war of words the industry is increasingly finding the opportunity to sit down with Government and supranational bodies such as the EEC and the UN, to try to work out a joint approach to its problems.

This week in Rome it is the turn of the pesticides manufacturers to try to turn the tide in their favour, or at least to hold back what they see as further damage being done to their industry.

According to Mr. John Smith, the general manager of Shell International Chemical's agrochemicals division, it now takes around seven years and \$17-\$20m. in research and development expenses to bring a new pesticide from the test tube to the farmer's spray tank. The investment in a manufacturing

plant could cost a further \$20-\$40m. "This investment can be virtually negated overnight if, following the introduction of a product, an unforeseen toxicological or environmental problem develops, which results in withdrawal or severe curtailment of its registration status."

Public concern at the tragic failures of the chemical industry to discover fully the range of side-effects of particular products has led to increasingly tight control over the industry's activities. But those failures will not be a point at issue in Rome. What the conference sponsored by the Food and Agriculture Organisation and the World Health Organisation will be discussing is how countries can standardise the way research work is carried out so that costly duplication is avoided.

Rising costs

Pesticides must sell in a range of countries to provide a feasible investment, but the growing disparities in the data demanded by different countries, were seen to be increasing the costs of new pesticides and to be holding back the introduction of new products.

The meeting in Rome this week provides the first forum

in which the industry's international association, GIFAP (Groupement International des Associations Nationales de Fabricants de Pesticides), can put to governments a detailed case for the standardisation of pesticide registration requirements.

The industry maintains that especially in the field of toxicology there is need for a far greater degree of international agreement on test methods. Comparison of the requirements of the Environmental Protection Agency in the U.S. and those of authorities in other technically advanced countries shows the scope that exists for a greater measure of harmonisation. In the U.S. for example long-term feeding studies have to be carried out on two rodents, say a rat and a hamster. But several other countries, among them the U.K., Australia and France normally require data from only one rodent, but this may have to be backed up by work on another species altogether.

The industry is urging the adoption of international standardisation of protocols covering five basic areas of registration requirements.

Pesticide manufacturers are also seeking the wider adoption of a system of phased registration of new products similar to that practised in the U.K. By wide pesticide regulations themselves, but only the data which is generated to form a base for commercial clearance.

The stakes are high. Since 1960 the world market for pesticides has grown more than six-fold from \$1.1bn. to \$7.0bn. last year. But the industry's inherent growth has slowed and there is increasing evidence of a sharp decline in its rate of innovation. A spate of rationalisations and mergers is underway in a field that is dominated by such multinational companies as Shell, Bayer and CIBA-Geigy. Several companies have pointed out that agrochemicals is becoming an increasingly unattractive sector in which to invest, and there have been some dire warnings of the effects of tightening legislation on the industry, particularly from Dow Chemical.

It has estimated that when the Federal Insecticide, Fungicide and Rodenticide Act was introduced in the U.S. for example, it cost the company an additional \$7m. in costs and \$17m. in lost sales. In Imperial Chemical Industries' Plant Protection Division more than 100 researchers of a staff totalling 6-700 are working exclusively on meeting the requirements of the regulatory authorities.

In Rome the industry will not

Damaged birds

The contradictory elements that have to be considered are well illustrated by the current revival of the use of DDT for house-to-house spraying in some parts of India. It was a practice abandoned several years ago after it had been used with great success in the fight against malaria. In the U.S. and other countries research showed that DDT and related insecticides were responsible for severely damaging populations of various predatory birds, such as eagles and falcons. Prolonged use of DDT caused a steady and damaging build-up of the chemical in the environment.

Its use was abandoned in most countries and was discontinued in the U.K. in 1969. In India a malaria-like fever, kala azar, was virtually wiped out by the use of DDT which killed the carriers of the disease, sandflies. But recently the question has arisen as to whether India could afford the environmental luxury of doing without DDT at a time when death from kala azar was again increasing.

The cost-benefit relationship is clearly a local decision depending on local conditions, but the industry has become concerned that in the rush to establish regulatory controls, some countries are going for systems which bear little relation to their circumstances. In some cases strict legislation has been prepared, but the country has lacked the necessary laboratories in which to carry out the newly stipulated research.

The Rome meeting has before it, perhaps in an obscure form, matters of vital world importance. According to the FAO 1.5bn. people still suffer from hunger or malnutrition and a third of them are at or near starvation level. Yet more than a third of the potential world harvest is destroyed every year by pests, plant diseases and weeds, an annual loss of more than \$75bn. (equivalent to the value of the world grain harvest—at producer prices—plus the world potato crop). Agrochemicals are one of the major keys to protecting potential crop yields. But it is becoming clear that the industry's growth and the innovation of improved and new products could be severely and unnecessarily hampered by the disorderly growth of national government legislation and regulations.

BUILDING SOCIETY RATES

Every Saturday the Financial Times publishes a table giving details of Building Society Rates on offer to the public.

For further details please ring 01-248 8000 Extn. 266

CAF

GIVE THE EASY WAY

through the Charities Aid Foundation to ALL your favourite charities

The aged, the disabled, the mentally handicapped, child care, your church, animal welfare, the arts, nature preservation, even disaster appeals...

- * You can support all these causes, and many others, by having one deed of covenant with the Charities Aid Foundation. Then, the charities you choose will benefit from the full advantages of tax concessions.
- * By giving out of income in this way, you will have at least half as much again to distribute at no additional cost to yourself.

Other easy ways to give

- * **THE FOUNDATION FUND** For the expert management of lifetime gifts and bequests, permanently safeguarded by Trustees of the highest standing.
- * **PERSONAL TRUSTS** to suit your needs with no setting-up costs or administrative charges.
- * **TRUSTS BUILT UP FROM INCOME** producing surprising capacity for supporting your favourite charities.

Charity Credits
All account holders with the CAF are given a book of Charity Credits. You write them just like a cheque to benefit any charity you choose from your balance of tax-privileged money with the Charities Aid Foundation.

Please write for further information.

To CHARITIES AID FOUNDATION
48 Pembury Road Tonbridge Kent TN9 2JD

Please send me the following booklets:-

THE FACILITIES OF THE CHARITIES AID FOUNDATION—a guide to methods of giving to charity.

PERSONAL CHARITABLE TRUSTS—a guide for those who wish to give capital.

PERSONAL CHARITABLE GIVING—a guide for individual donors.

COMPANY CHARITABLE GIVING—a guide for corporate donors.

CHARITY CREDITS—an explanatory leaflet.

PROFESSIONAL MANAGEMENT OF COVENANT INCOME—a covenant service for charities.

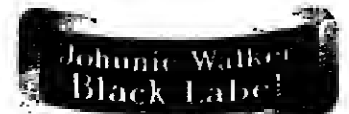
NAME _____

ADDRESS _____ FT(6)

CHARITIES AID FOUNDATION
Specialists in tax-privileged giving to charity



Black has always been sought after.



EXTRA SPECIAL OLD SCOTCH WHISKY.

STOCK EXCHANGE REPORT

Partial recovery in Golds on overnight U.S. buying
Good rally in Gilts helps equities to end above worst

Account Dealing Dates
First Declara... Last Account...
Government Stocks put on a reasonably good performance in stock markets yesterday with a turnaround of a full point in recovering early losses to 1 and closing with gains ranging to 1 1/2 in long-dated issues.

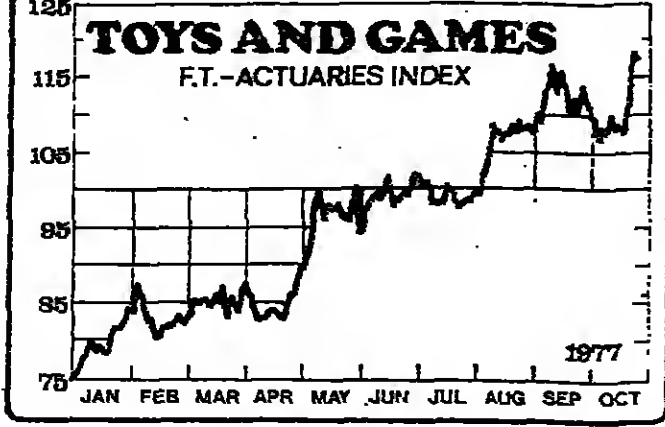
reflationary moves to be announced in today's economic package...
Conditions were also very tight and sensitive to any change in the monetary policy.

168p. Elsewhere, EPB Industries gave up 3 to 26p in front of today's interim results...
Following another quiet session, ICI closed a penny off at 40p, after 40p.

Power which ended 6 up at 135p...
The investment currency market got off to a slow start, much of the earlier trade being business remained at a fairly low level.

John Haggas on the profits warning continued in the interim report...
Tobacco gave ground, Impco losing 2 to 82p and BAT Industries 2 to 32p.

After the recent setback on fears about the recent political moves, South African Industrials staged a modest rally...
Investments recovered 6 at 134p, while Gold Fields Properties, 105p, and Uteco, 65p, put on 3 and 3 respectively.



FINANCIAL TIMES STOCK INDICES
Table with columns for various stock indices and their values for the current day and previous days.

HIGHS AND LOWS
Table showing high and low prices for various stocks and indices.

OPTIONS TRADED
Table listing various options contracts and their trading volumes.

RISES AND FALLS YESTERDAY
Table showing the percentage changes in various stock indices and sectors.

NEW HIGHS AND LOWS FOR 1977
Table listing new high and low prices for various stocks throughout the year 1977.

South African Gold shares made a hazy start on the back of a rise in the price of gold...
The pick-up in the Funds rubbed off on to leading equities but the hardening tone here was not backed by business.

Ins. brokers dull
Publicly given in a broker's branch circuit, upper insurance Brokers which closed earlier than usual.

Walker & Staff good
After recent firmness ahead of today's mini-Budget, leading Stores closed with an easier bias.

Utd. Carriers slump
The miscellaneous industrial leaders closed a shade above the day's lowest with losses to around 4 after a quiet trade.

Oil drift lower
Lack of buying interest saw a gradual downward drift in Oils, British Petroleum led 10 at 300p, while the party-party shed 5 to 275p.

Strong rally in Golds
Responding to the sharp rally in overnight U.S. markets South African Golds ended four days of heavy losses with a brisk recovery.

RICARDO CONSULTING ENGINEERS
Pre-tax Profits up 48% Continued expansion
Points from the Statement by the Chairman, Mr. D. Downs, B.Sc., C.Eng., F.I.Mech.E.

RECENT ISSUES
Table listing recent stock issues with columns for issue price, high, low, and other details.

FT-ACTUARIES SHARE INDICES
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.
Table with columns for various equity groups and their performance.

APOLLO
Edited by Denys Sutton
The world's leading magazine of Arts and Antiques
Published Monthly price £1.50 Annual Subscription £21.00 (inland)

ACTIVE STOCKS
Table listing active stocks with columns for stock name, price, and other details.

FIXED INTEREST PRICE INDICES
Table showing fixed interest price indices for various government and corporate securities.

FINANCIAL TIMES SURVEY

Wednesday October 1977

TOYS



The U.K. toy industry is expanding in volume and is finding new outlets abroad. It is also serving a wider variety of customer since pre-school and adult toys have now become major markets.

The adults join in

By Stuart Alexander

TOYS AND GAMES these days are a serious business. From a proliferation of importers, wholesalers and makers who were more inventive than businesslike has emerged a rounded industry which can look forward to a new, more professional era.

At every level the large operators are beginning to dominate, be it manufacture or retail. At the same time the growth of manufacturing in the U.K. has led to new ways being found to even out demand through the year instead of being dependent on the pre-Christmas spree.

When wholesalers were dominant, then the overseas manufacturers were left to sort out the problem of seasonality, but the role of the wholesaler has declined in the U.K. in recent years, with more home-based manufacturers selling more and more directly to major accounts, and widening their product range to take in adults as well as children.

The new trade fair held for the first time at Birmingham's National Exhibition centre this year significantly included the word hobby in the title, and

this reflects the attempts by the industry to expand their potential market.

In the past five years the big companies have improved product ranges, technology, financial control and marketing. They have also developed overseas marketing, licensing and exchanges. As an investment they have become respectable and earlier this year stock-brokers Grieveon Grant said, "We think the prospects for the toy industry very good." This was despite a fear that 1977 could see a slip in volume sales, although with prices up by about 20 per cent, turnover was expected to rise.

Yet the industry has shown consistent growth since the war and at the same time has produced a clutch of market leaders which have grafted genuine management expertise and entrepreneurial skill on to a business that still has a large measure of emotion in it.

In a recent excellent study of the industry Mr. Richard Beecham, joint managing director of Dandee-Combe-Marx, one of the leading European toy groups, refutes the charge that the toy industry is volatile, insignificant and chasing narrow markets vulnerable to the whims of taste, competition and cyclical factors.

"This is no longer true," he says, and points to the growth in DCM, Airfix, Lesney Mettoy and John Waddington. Over 60 per cent of total toy and game sales were shared by the nine main quoted companies last year and that concentration could increase further.

Sales at manufacturers' prices topped £230m, up 20 per cent, on the 1975 figure of £190m, and that was 16 per cent up on 1974. Indeed some estimates expect

total retail values to reach £365m, this year with about £70m. of that going abroad.

But the two key factors highlighted by Mr. Beecham have been increased willingness to spend money on leisure and toys in a period of increased living standards and disposable income and the linear extension both backwards and forwards from the traditional age group served.

This means pre-school at one end and adult hobbies and leisure at the other. Pre-school has developed very quickly into a major market fuelled by parents' increasing desire to give their children some sort of education through play.

There has also been a conscious effort to pick up a young customer, with model-making kits, outdoor games equipment and sports clothing. These can be sold all the year round, and can be carried through to retirement age. Even painting by numbers can be attractive to housebound mothers.

The development of the bobby and leisure side has been made necessary as falling birth rates have coincided with a young population which wishes to get out of the house as soon as possible. "The girls' toy market has reduced in span as they have bought records and lipstick at an earlier age, and boys over 11 have often switched their attention either to outdoor pursuits or are laying the foundations of long term pastimes.

These need not spell doom for the bigger toy groups. Their expanded range of products events not cash flow, and while there may have been a decline in the number of births there has not been a similar decline in the number of households. This can merely mean that spending per child increases as

families can afford more leisure goods.

It has also encouraged the development of "system" toys. That is a basic toy to which many accessories can be added. This is another method of spreading their spending throughout the year, although the initial purchase may be made at Christmas.

DCM, for example, estimates that for every £20 Hornby train set sold, the customer is likely to spend a further £100 on accessories in the following 24 months. The company also owns Pedigree Dolls and manages to sell about 500,000 Sindy dolls every year, although only about 350,000 girls are born. And there are a lot of accessories available for those girls to buy.

A break-down of toy types still shows die-cast ones pre-eminent, with about 26 per cent. Plastics are a close second with 23.8 per cent, and very significantly, modelling kits and materials come third with 15.3 per cent. (Source: Business Monitor.)

in the U.S. while buying a distributor in Europe. In his last report chairman Ralph Ehrmann spoke warmly of the achievements of both Plasty-Spielzeug and Awa International and said: "We continue to consider exports a high priority in our marketing operations and trust we will achieve further expansion this year."

Nor are these exports confined to the western industrialised nations. As well as sales to the developing world, links have been established with the Eastern bloc countries and two-way trade is growing. DCM, for instance, through its Novo subsidiary, has set up licensing agreements and sales of moulds or dies, often in exchange for finished goods. The company expects this trade to increase significantly in the next few years, so we could soon be exchanging dolls for vodka.

The markets of South America, Africa and, inevitably, the Middle East, are also likely to grow in importance as affluence increases in these huge markets, producing demand for quality toys and leisure goods.

British toys have a reputation for quality and for innovation. The toy industry, more than most, is geared to providing something new at least every month, perhaps every week. Children are as adept at keeping up with the Joneses as their parents, and as soon as a new toy comes into the hand of one member of a group the rest will be turning on the tears, temper and tantrums and before the evening is out.

However, tooling costs can be high and this has been yet another factor in the toy industry's search for economy through

long production runs. Admittedly some lines run for a very long time—Monopoly is still a firm favourite—but Airfix estimates that it can cost up to £100,000 to launch a new product in a major way.

The trade expects extensive comic paper and television advertising as well as a good discount for itself. Margins in the retail trade are fairly high—totalling between 50 and 60 per cent, mark up—but there are additional overriding discounts for the big buyers, which is why the chain stores and supermarkets have moved in.

Traditionally toy makers do not run with the hares of wholesale as well as the hounds of direct selling. But when the chains bring their buying power to demand large discounts, the small retailer, as in some grocery lines, can often find himself buying at the same price at which the supermarket is selling.

So the manufacturer is squeezed by high costs and the small retailer is squeezed by being undercut. There will always be a place for specialist toy shops, but in future they are likely to be fairly sparse. There are many opportunities to buy toys in the U.K.

Nearly every newsagent sells a small number of toys, as do multiples, department stores, chain shops and supermarkets, but the trend is clear. Mail order, with about 20 per cent, and chains and multiples with a further 27 per cent, show the power of the big buyers. Independents still take about 25 per cent, and wholesalers are handling the remaining 25 per cent. Six years ago the independents accounted for 46 per cent, and a bit further back the wholesalers handled over 50 per cent.

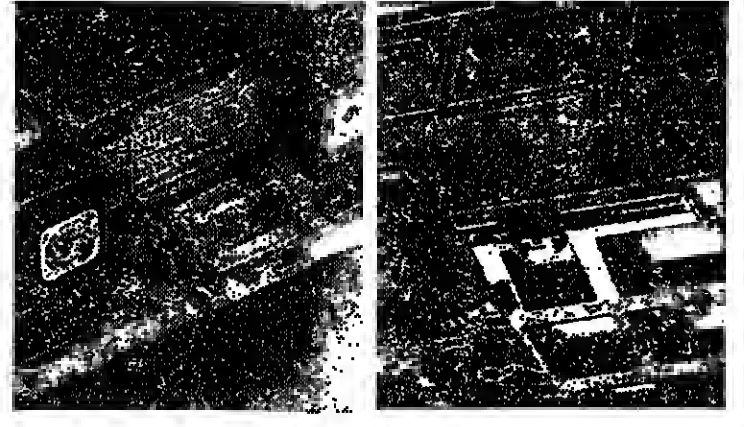
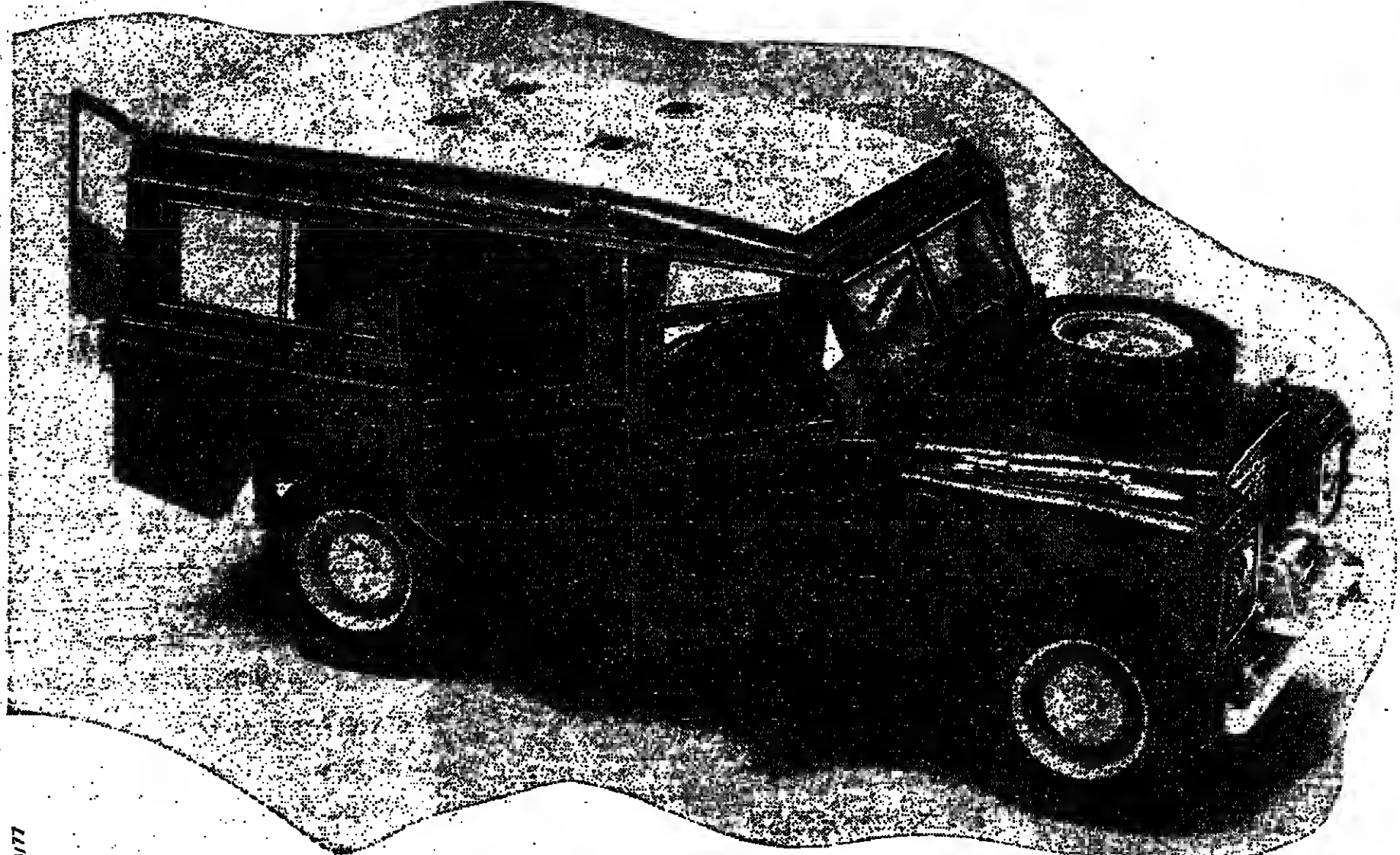
of the business. The new emphasis on chain-store and supermarket selling has also had a marked influence on packaging. There are rarely trained staff to advise and often a toy will be bought like a can of beans. So the manufacturers have adopted brightly coloured boxes, incorporating, where possible, a perspex panel so that the toy can be seen. And the pack gives a full description of the contents. Often, too, the larger manufacturer will provide display units which are arranged and stocked by their own sales staff, just like the cake and biscuit manufacturers.

But perhaps the most significant development has been the emergence of the big companies, where sometimes toys form only a part. One such is Hestair, which also owns Dennis Motors of fire-engine and dust-cart fame, plus a company making precision seedplanting agricultural machinery.

Hestair also owns a north London toy wholesale company and has more recently added Kiddieraft to the stable. All in all the toy division provides about 25 per cent of the group turnover and contributes about 20 per cent of profits. And Hestair is continuing to look favourably at the toy market.

If for no other reason, the company realises it must stay with the leading group and to do that will need a highly diverse product range. The seeds of improved management and financial control have been seen among the market leaders, who will now wish to see the controlled reflation of the economy promised by Mr. Healey, which will bring with it the prospect of a period of consolidated growth.

Made in Italy



British Leyland takes great pride in having planned and produced a vehicle like the Land Rover.

Polistil is equally proud to have produced the same vehicle in miniature, perfectly reproducing the smallest details.

Polistil specializes in producing miniature cars and electrical racing tracks that are absolutely faithful to the original.

Because this is Polistil's philosophy: reality is the greatest spur to fantasy.

Polistil
Polistil-Via Chiostergi, 15-Milano-Italy
fantasy and reality

Output and profits up

PROFITS WITHIN the U.K. a little more resilient than the toy industry stayed buoyant average for the U.K.). At the last year, helped by a rise of same time competition from almost a fifth in output. Exceptional growth in earnings was achieved by some of the major companies, and at this early stage in the annual trading cycle—the Christmas quarter is crucial to the majority of manufacturers—it is generally expected that 1977 will provide improvement in profits.

Not that the toy salesmen are having things entirely their own way. Having fallen strikingly in volume terms during the first six months of this year, retail sales remain seriously depressed (although there are signs that consumer spending on toys just might be moving

back, however. Last year exports from the U.K. accounted for very nearly two-fifths of total manufacturing sales, and at the moment there is little reason to suppose that this sort of percentage ratio cannot be maintained in 1977. At the same time some of the major companies have been busy establishing themselves physically outside the U.K., notably Dunbee-Combes-Marx.

Last year—calendar 1976—Dunbee-Combes-Marx lifted its pre-tax profits by 68 per cent. to £5.9m. One of the leaders in the industry, the group has expanded rapidly in recent years both through organic growth and acquisition—notably via the Louis Marx operation in the U.S. which it acquired

as a loss maker and quickly turned out of the red. Its products cover a well balanced and wide range of trade names. These include Hornby, Scalextric, Playpeople, Pedigree and Sindy dolls together with the Marx range of reproduction and military guns, Yo-Yo, Lone Ranger and Schuco. Of the five toy subsidiaries—the company also has some operations covering DIY, home improvements and toiletries—Combe in the U.K. cover wholesale operations (chain stores, mail order, export) while Burbank, Louis Marx and Rovex supply retail outlets.

The most recent U.K. subsidiary, Novo Toys, sells through regional distributors, and in total Dunbee-Combes-Marx probably covers some 90 per cent. of all toy traders in this country. As well as Marx in the U.S. and Schuco in Germany, the group has companies operating in most of the EEC countries, South Africa and Australia.

In fact something like three-fifths of turnover of £86.5m. in 1976 arose outside the U.K., thanks largely to the acquisition of Louis Marx in the U.S. where prospects for a continuing recovery are seemingly good. The American company was purchased in April, 1976, for \$15m. and already the new management has disposed of more than \$5m. of assets no longer required.

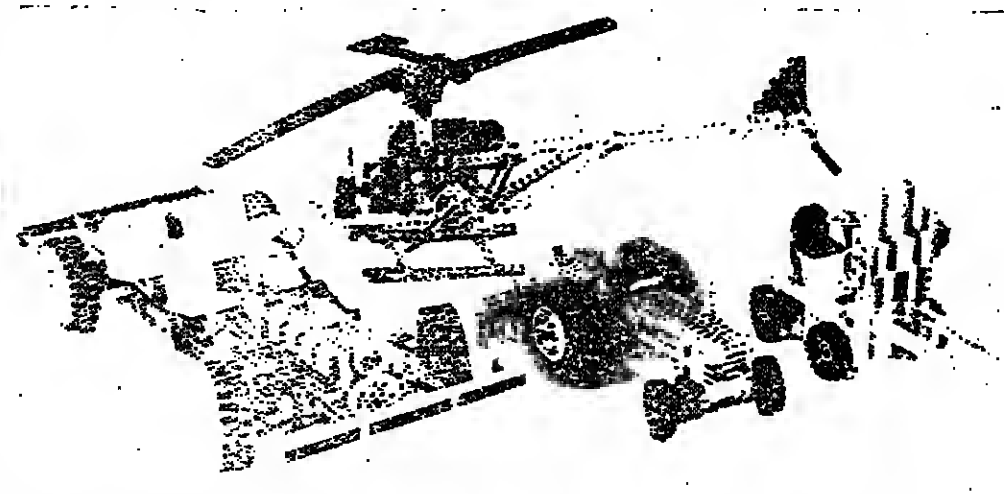
Another major manufacturer with plenty of overseas potential is Lesney. At £10.2m. before tax, Lesney's profits for the year ended last January were a full 46 per cent. higher. And in June, speaking at the annual general meeting, the chairman told shareholders that in 1977-78 "most major markets were up or ahead of budget, particularly the U.S."

Lesney's activities fall into two main areas, the manufacture of diecast toys—the famous Matchbox range—and industrial products: the company has its origins in commercial diecasting and as a result still produces a wide range of diecastings for industry at home and abroad. However, Lesney's toy expertise is what matters most to the profit and loss account and the company's range of products in this field includes plastic kits, fashion dolls and pre-school toys as well as the Matchbox range.

Lesney and Dunbee-Combes-Marx are of course only two of nine major publicly quoted companies in the toy trade: the other seven listed on the London Stock Exchange are Airfix, Berwick Timpo, Cowan de Groot, Mettoy, M.Y. Dart, L. Randall and J. W. Spear. The shares tend to be popular with investors having emerged from 1976 as the industrial sector with a capital gain in 12 months of more than 18 per cent. compared with a rise of some 8 per cent. by the Financial Times All-Share index. So far in 1977, the sector has managed to increase its All-Share index by almost a tenth.

In the year ended last January Airfix managed to increase pre-tax profits by 100 per cent. to £4.05m. The range of products divided into two main groups. First, extensive range of plastic construction kits, closely allied which are toys and games, including pre-school toys, a range of hobby products and aimed at the second-hand market. The second grouping includes Dinky, Meccano and the Pedigree series of wheeled models. One of the best known names at Mettoy is Cars, a range of diecast toys. In all, the company has five major brands including Whentley play, Petite typewriters, Capri games and Playcraft Busybees.

Exports are a major feature of Mettoy's activities and largest overseas markets Europe and North America. In 1976 sales rose by a fifth to £23.8m. and of this figure over two-fifths was made of export turnover.



Lego shows no signs of diminishing in popularity. The photograph shows models built from the new Technical Sets, intended for children aged nine and over.

New pattern of exports

UNLIKE MANY other industries, at least 75 per cent. of Lesney's sales derive from overseas and here managed to survive, with for Airfix and Mettoy the figure could get them, as last as they would be replaced by far more competitive European countries, often with quite different requirements.

This change was a radical one in that virtually captive Commonwealth markets which look products as last as they would be replaced by far more competitive European countries, often with quite different requirements.

Whether this success was a result of the traditionally high quality of ingenious nature of British toys, or by skill and marketing, is debatable, but the figures speak for themselves, especially evident in South America, Africa and the Middle East," he added.

Potential

It was felt that the industry should be striving even more vigorously to capitalise on its own inherent potential, particularly since British toys had a unrivalled reputation for quality among overseas visitors, which was confirmed by the number of foreign manufacturers who visit U.K. toy fairs.

In general, U.K. companies are attracted to export markets mainly because they provide opportunities for expanding sales in a way which cannot easily be achieved in the U.K. In the home market any expansion of sales, except in the case of an entirely new product creating a new market, must come at the expense of competitors.

As a result, there have been major developments in foreign countries recently. Lesney's substantial growth to exports is a good example; others are DCM's acquisitions of Louis Marx in the U.S. and the West German Schuco company. It should perhaps be emphasised here that exports alone account for only a proportion of overseas toy sales.

A major part of recent export expansion has come in the form of diecast toys. The two leading companies involved, Lesney and Mettoy, had successfully developed inexpensive ranges of diecast model cars, well constructed, of good quality and incorporating considerable detail. At that time they faced little foreign competition but with the advent of comparable and sometimes superior U.S. products in the early 1970s, export proportion fell to just over 30 per cent. in 1973. However, the position recovered rapidly the following year, with a rise to 38 per cent.

It is suggested that one of the major reasons for the relatively good performance in 1974, 1975 and last year was due to the weakness of sterling, but it is probably not the only factor, as quality was also

improved to meet the challenge. But the export market has its problems and it is often a difficult one for the smaller manufacturer to enter. It is also very sensitive to price, which underlines the dangers of inflation and the high cost of importing raw materials.

This is underlined by figures which show that about 40 per cent. of U.K. production is exported by the major U.K. manufacturers, this total representing about 83 per cent. of export total of the U.K. industry. It is also interesting to note that last year metal diecast toys accounted for 43 per cent. of total British exports, followed by plastic toys with 23 per cent. (compared with 18.2 per cent. in 1975) and modelling pastes and construction models with about 12 per cent. Most other categories such as wheeled toys, dolls, soft toys, wooden toys and rubber toys, accounted for between one and 2 per cent.

In the metal diecast category, Lesney is the most important U.K. manufacturer and in the group's 1975-6 financial year ending in February last year its exports totalled £24.7m. Although this figure will have included items other than diecast toys it is probable that the majority of the exports of the group are from the Matchbox diecast series. As diecast exports for the whole industry in the calendar year 1975 totalled £27.5m, much of this total must represent Lesney's own exports.

Other significant increases achieved in the past four years are in export of dolls, plastic toys (mechanical and non-mechanical) and wooden toys. Airfix's plastic model aircraft kits are also well represented in export figures.

Smaller

Berwick's Timpo's position in the toy industry is interesting in that although smaller than the four major manufacturers (Lesney, DCM, Mettoy and M.Y. Dart) it is significant larger than the other organisations. Recently the company has been, notably acquisitive, buying Aurora and Harbutt's Plasticine, which presently divides it into five constituent companies: Model Toys, Berwick's Peter Pan Playthings, Park and the newly acquired Harbutt's Plasticine.

An analysis of profits is recently available at John Waddington but it is generally reckoned that the company provides something like a third of overall profits. Waddington started out in the games business in the 1930s with a con but today its best product is Monopoly which with sales topping £m. sets year, is probably the game in demand in the U.K.

Like the smaller companies that make up the toy Waddington still makes a proportion of its earnings in non-toy and game interests. Cowan de Groot, known perhaps for its John printing sets, has wide industry interests and M.Y. Dart. This company's operations tend to centre sporting ranges like table tennis products and darts.

Jeffrey H...

Your kids have never heard of Berwick Timpo

But just try them out on these:

- Streaker
- Frustration
- Pop-o-Matic Games
- Moonball
- Daisy Doll
- Etch-a-sketch
- Prairie Rocket Train
- Superman Playsuits
- Othello
- Timpo Models
- Harbutt's Plasticine®
- Starflight Aeroplanes
- Aurora Road Racing with James Hunt

(We don't have enough room today to list the other 590 products but they all add up to annual sales of over £12 million)

Berwick Timpo Limited • Putting toys first

Berwick's Toy Co. Ltd—Model Toys Ltd—Flair Toys Ltd
Peter Pan Playthings Ltd—Harbutt's Plasticine Ltd
Wells House, 79 Wells Street, London W1P 3RE.

gabrielle designs

the company entrusted by Michael Bond to make his internationally famous character

PADDINGTON BEAR

Copyright Gabrielle Designs Limited
Registered in England No. 282122
No. 282122 Bore Patent granted and Paddington Bear and Paddington Bear Puppets are protected by Design Registration world wide.

Do you have a children's Party?

If not — Why not?

Happy Staff are Happy Workers

Peeks Everything for Parties

Catalogue will tell you how

Peeks of Bournemouth

Tuckton, Bournemouth.
Tel: 0202 - 49404/5.

ASK for CHARLES OR JOHN PEEK.

Manufacturers & Developers of

Paints for the Toy Industry

Capsules
Pots
Tablets
Jars
Bulk

ART CRAFT PRODUCTS

01-560 6100

1, Commerce Road, Brentford, Middx

Lorne Barling

APY 10/15/20

Thriving U.S. market

THE AVERAGE U.K. parent bought 3.4 toys last year, his U.S. counterpart bought 15. That figure alone explains why so many British toy producers are casting covetous eyes across the Atlantic, and following the glance through with direct investment in the U.S. like Dunbee-Combes-Marx, or the creation of a thriving export business.

The U.S. is the world's largest toy market. Last year, sales were worth an estimated \$5.1bn. (£2.9bn.) at retail prices, according to Toy Manufacturers Association of America surveys (and some observers put the total as much as 30 per cent. higher). And they have been growing fast. The 1976 figure was 63 per cent. up on the previous year's \$4.78bn., and that in a period when the wholesale price index rose by only 0.8 per cent. Overall in the five years from 1971, when sales amounted to \$3.7bn., there was a compounded annual growth rate of 6.5 per cent. against a 5.9 per cent. a year average increase in wholesale prices.

This growth is being achieved despite stringent restrictions on the marketing of toys. Safety criteria are very high — and manufacturers' liability for accidents very wide ranging — to stark contrast to most of Europe (though the U.K. and West Germany also have tough safety regulations). And there is a tough code of advertising practice, especially as regards television commercials aimed at children, which looks likely to become even tighter. Thus toy commercials must not use cartoon, must contain no fantasy, and must not encourage what is described as the cult of collecting, or of materialism. Prices cannot be given, and descriptions must be very exact.

At the same time, however, safety has become a marketable concept in a way which has not yet taken hold on this side of the Atlantic. Thus, one of the biggest sellers is the Big Wheel, a tricycle made of plastic, which will have notched

up its 10 millionth sale this year. The Big Wheel, made by Marx Toys has a low centre of gravity, making it virtually impossible to tip over. Unlike the conventional metal tricycle seen in Britain, it has no chain and no spokes, and it cannot rust. Its advance in terms of providing a safe ride is obvious — and yet attempts to market it this side of the Atlantic have flopped (though another, more concentrated sales effort is likely soon) even though Americans have bought enough of the machines to cover the 5,844 miles from Los Angeles to London.

The market is not just expanding but is becoming increasingly concentrated in the hands of a few companies, both on the manufacturing and retailing sides. Retail margins tend to be lower than in the U.K.

At the other end of the process, the U.S. has some 950 companies manufacturing toys. But some 40 per cent. of the market is accounted for by 11 companies, and the top three are responsible for 22 per cent. of all sales between them.

conglomerate which is the world's biggest toy manufacturer it is best known in the U.K. for its Denys Fisher and Palitoy ranges). Its past few years have been relatively trouble free, with profits in its toy division rising steadily for six years in succession.

With around 8 per cent. of the U.S. market, its craft, games and toys division contributed \$947.6m. of 1973-76's total group sales of \$2.6bn., and it is especially strong in male action dolls (such as the Bionic Man models), train sets (it owns the world-famous Lionel name) and board games and puzzles.

But if General Mills can look back on the past few years with satisfaction, its two nearest rivals in size terms, Mattel and Quaker Oats, cannot. Mattel, with sales of \$386.3m. in 1976-1977, is one of the largest purely toy and leisure companies in the world. It has only fractionally less of the U.S. market than General Mills, and is particularly strong in fashion dolls (the Barbie doll range in particular) and model cars — an area where its invasion of the U.K. a few years back posed a major threat to the British toy industry.

Yet five years ago, there were serious question-marks over Mattel's survival. The company had expanded fast, branching out into such things as electronic tape production and the manufacture of playground equipment. And then it faced a string of disasters, with one toy plant destroyed by a fire and a strike which kept its entire Hong Kong and Taiwan made toy lines languishing in the harbours till after the crucial Christmas season.

(In top of this was the general economic recession, which hit the U.S. industry hard, producing the 1975 fall in the overall market. For Mattel, that was the last straw. Its profitability slumped, with a combined loss in 1974 and 1975 of \$25.3m. And there were allegations, made by the Securities and Ex-

change Commission early in 1974, that financial reports from the company had been falsified. The resulting storm not only came close to blowing Mattel off the map but seriously affected much of the rest of the industry as the question-mark over the credibility of its highest flyer became extended to its rivals.

Healthy

To-day, much stilled down and without its conglomerate ambitions, Mattel appears healthy again, reporting a net pre-tax profit of \$23.5m. in 1976-1977. The lawsuits which resulted from the falsification charges have just been settled, and credibility has been restored.

Much the same appears true of Quaker Oats, third biggest

force on the U.S. toy scene, which ran into trouble around the same time as Mattel. Quaker's problem was its Marx Toys subsidiary, bought from its founder, Mr. Louis Marx (who retired, and still retains, a 10 per cent. stake), in 1972 for \$51m. (including \$14m. for working capital). The company, by then quite distinct from the U.K. Louis Marx concern, was acquired as a stabiliser for Quaker's extremely successful Fisher-Price subsidiary. But, almost immediately, the deal went sour.

From a \$7.4m pre-tax profit in 1972, Marx was notching up a loss of \$4.2m. in 1974 and one of \$7.6m. in 1975. Excessive U.K. sales, which had already onch internal treasurers, a lack of Mr. Louis Marx's U.K. operations. And it is no stranger to many things have been blamed for Quaker's failure with Marx, quite apart from the general

recession in the industry. Whatever the cause, Quaker decided to get out. In April, 1976, the Louis Marx business (apart from its Mexican operations) was sold for just \$15m. plus \$3m. for working capital.

The result has been a vast improvement in Quaker's position. In its 1975-76 report, published after Utc Marx sale, the company was able to report: "Our toy business, a problem a year ago, is now in good shape. First, Fisher-Price... had a good year with fine increases in sales and earnings... Second, we eliminated a costly problem business—Marx Toys." Now Quaker has some 4 per cent. of the U.S. market, notching up sales of \$184.7m. and an operating profit of \$27.5m. in the nine months to March 31 this year.

In addition, the sale of redundant resources—both buildings and machinery—is expected to raise \$15m., to effect financing the purchase from Quaker and giving DCM the actual business for free. And that is being carried out at the same time as output is expanding.

Just ahead of Quaker in the U.S. manufacturers' league table (and of Dunbee-Combes-Marx in the world league table, though possibly not for long) is Milton-Bradley, with a 5 per cent. market share and a major stake in the board games and puzzles and construction kits sectors. With sales of \$182bn. in 1976, Milton Bradley is largely based on the domestic market, though it has been selling—and seeing fast growth—in Europe for the past four years and expects to generate a great deal more of its future growth abroad.

attended this event. The first is the low standard of the British contingent's booths, which are in market contrast to the imaginatively planned and professionally executed stands belonging to almost every other nation. The second is the lack of suitable accommodation, necessitating in many cases, having to lodge with a German family who speak little or no English.

Disagreements

France has its own toy fair, too, at Paris. As it happened, because of a personal disagreement between the organisers of this exhibition and Nuremberg fair, the two very nearly clashed this year. The matter was resolved at the last minute, although of the two, Nuremberg wins in importance.

While all this is going on, in February, the Americans have their New York Toy Fair (February 19-22, 1978). This effectively excludes any visitor to pinpoint the fourth annual trends before they actually happen. The U.S. toy trade is considered to be three to four years ahead of that in the U.K., but the gap is narrowing all the time. Indeed, British manufacturers (notably Invicta Plastics with its Master Mind game) have successfully penetrated the American market so much so that they managed to install themselves in coveted hard-to-come-by showrooms at the Toy Centre of the World, Fifth Avenue.

Many countries have their own national toy fairs, but two that stand out above the rest are October's Hong Kong Toy and Gift Fair preceded by the Tokyo International Toy Fair (February 19-22, 1978). This is the largest exporter of toys in the world, and a result many who attend the fair already have their own established contacts at factories on the island. However, the fair affords a unique opportunity for newcomers in the trade in see what is available for the coming year from the Far East. Incidentally, special tours to several of these overseas fairs are in operation, offering tremendous savings. Toy Trader magazine for one has a trip to Hong Kong costing just £113 for 13 days flying by scheduled Jumbo jet and staying in first-class accommodation.

incalculable businessmen walk off with the samples, copy them and sell them for a mere two-thirds of the intended British price—all in half the time it takes to make the original article.

Last year the British Toy and Hobby Fair moved from Brighton to Birmingham at the National Exhibition Centre. The move met with mixed feelings. Some were glad to have everything housed under one roof, others likened the place in collection of aircraft hangars with about as much atmosphere. They also bemoaned the absence of the quaint eating houses that saturate Brighton—places to retreat to after taking orders on the stands or, alternatively, to clinch deals with the aid of a

Fair trading

JANUARY IS THE month when toy manufacturers unveil their new lines on to what is often a suspicious toy trade. Rumours are rife in this close-knit industry, and only the most painstaking cloak-and-dagger act is likely to avoid leakage somewhere.

There are two key British shows: the Harrogate International Toy Fair, and the British Toy and Hobby Fair, formerly the British International Toy Fair, both held in January. The former is aimed at the wholesaler and importer, while the latter (through its organisers, the British Toy Manufacturers' Association) is retail-orientated.

Previously, the BTMA Fair was held at various hotels in Brighton all of them connected

by way of courtesy coaches. One of too familiar problem with this perennially British method of running a show was to find your way round the nooks and crannies of the venue itself, let alone locate the exhibitor you came to see.

I can recall parties of keen-eyed Japanese buyers obviously lost, with no multi-lingual signs to direct them and, in sheer desperation, a luke-warm cup of coffee with a plastic spoon their only comfort.

Not that they are especially welcomed by exhibitors. It has not been unheard of for salesmen on the stands, upon spying a party of Japanese fast approaching their display, quickly to dismantle all the newest items lest these same

incalculable businessmen walk off with the samples, copy them and sell them for a mere two-thirds of the intended British price—all in half the time it takes to make the original article.

Last year the British Toy and Hobby Fair moved from Brighton to Birmingham at the National Exhibition Centre. The move met with mixed feelings. Some were glad to have everything housed under one roof, others likened the place in collection of aircraft hangars with about as much atmosphere. They also bemoaned the absence of the quaint eating houses that saturate Brighton—places to retreat to after taking orders on the stands or, alternatively, to clinch deals with the aid of a

battle of hock. Still more complained (and continue to do so) about the astronomical prices charged at the Birmingham hotels—not that anything came cheap at Brighton. The latest murmurs suggest that the whole fair may again move, only this time in London (Olympia?) in 1979. But this is only hearsay.

With regard to the international toy fairs: the Nuremberg (German) show is highly impressive and is run with typical efficiency. After all Nuremberg is considered by many to be the birthplace of the toy industry. The fair takes place in February and is generally a must for the serious British toy man. There are two things that disappoint me whenever I have

Greville Bogard

Airfix Industries

Nationwide~Worldwide



TO MANY PEOPLE the name Airfix conjures up visions of sophisticated model construction kits, ranging from perfect replicas of the Apollo Spillout to battleships and dinosaurs. Indeed, Airfix produce over 500 different kits, which dominate the British scene and are found in virtually every country of the Western World.

HOWEVER, AIRFIX HAVE made a big name for themselves in many other areas of the toy industry. The first Airfix railway systems were launched in 1958, and with the steam trains capturing a big share of the British market... The action toy range has been launched with Supercopter following the footsteps of the highly successful Flight Deck and the Flight Deck. The Weebles and their many accessories are one of the best selling toy ranges in the world. And the Airfix cars, just launched by Farish, Fawcett-Majore have proved highly popular with boys across the Craft and New-Art painting sets.

AIRFIX ALSO EMBRACE such great names as Invicta (Invicta Toys), famous for their ranges of model cars, scooters, pedal cars, pushchairs and prams. There is another name, Pedigree, famous for their model cars and trucks.

IN FACT, Airfix Industries are committed to providing a toy to suit every age group and taste. The Airfix range includes 4-year high action figures, free the imagination with the New-Art and the Micro-Mod, and the Micro-Mod, just being launched in time for Christmas, is a new concept in model construction. It is a new concept in model construction, and is another example of the range of Airfix products.

No fewer than 84 different Airfix products are produced in the subsidiary, Plasty-Spielzeug, which is a member of the International Inc.

Airfix Industries Limited, 37 Old Court Place, London, W.1.



Tough Toys manufactured by Sharna



Sharna Ware (Mfg) Ltd.,
Lumb Mill, Droylsden,
Manchester M35 7LD
Tel: 061-370 3467/8/9
Telegrams: Sharna Droylsden,
Manchester. Telcx: 658840

Retailers having a tough time

HEARING THAT the Financial Times was about to write a survey on the toy industry, the head of one small chain of specialist toy shops wrote to the paper no less than three times pointing out that the independent toy retailer was not about to disappear from the market. He was sick and tired, he said, of being told that the specialist toy shop was a kind of dinosaur in the high street which had no chance of surviving into the next decade.

He had a point. The problems of the specialist toy trader have become one of the classic case studies of the difficulties facing independent shopkeepers at a time when all the economies of marketing seem to favour the big groups. But if their problems have attracted attention, it has not been without good reason. In many ways, the independent toy trader has had more than his share of the problems facing other independent retailers over the last 10 years.

With his high margins, slow stock turn and highly seasonal business, he was a very tempting competitor for those multiple groups, like Tesco, to take on when they were looking for new areas of expansion. The specialist toy shop, has of course, long had to compete with groups like W. H. Smith and Woolworths. But in the last ten years the challenge has become tougher. Not only have their traditional competitors, like Boots and Smiths, been building bigger stores in which they can devote more space at certain times of the year to toys, but newcomers have come into the market to the shape of the supermarket groups.

These groups have approached toy retailing in a very different way from the traditional toy shop. For a start, they made no attempt to match the range offered by the specialist. Instead they offered a limited range of toys at prices, varying the space devoted to toys from one season to another.

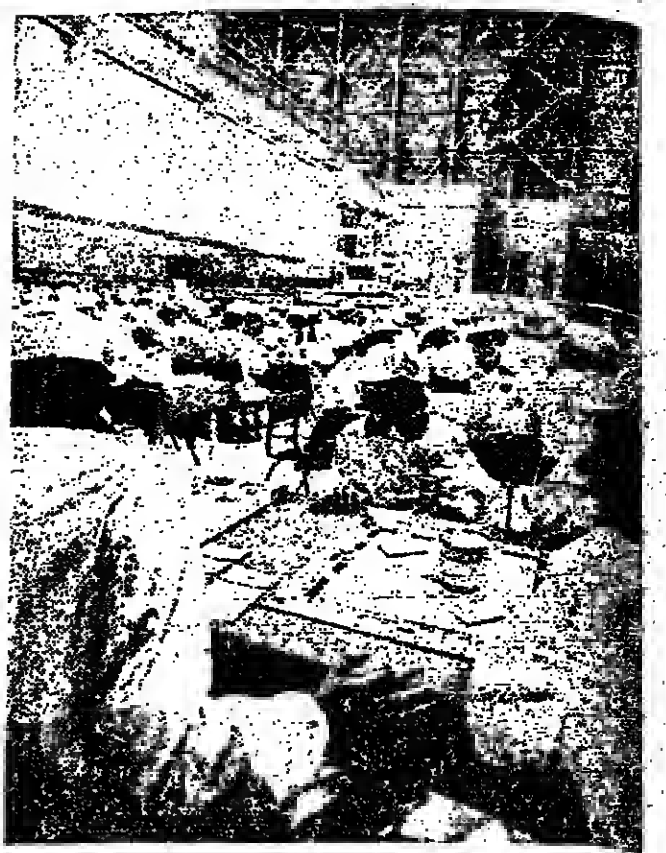
The attraction of toys for these groups was in the profit margins which traditionally averaged around 50 per cent gross in the specialist toy shops. Though the supermarket chains were prepared to take lower margins than 50 per cent, the margins they achieved on toys were far higher than on food. The result was to intensify price competition to a degree which many small shops could not hope to meet. After all, the specialist had to continue carrying a full range of toys throughout the year and was not in the happy position of being able to switch the space after Christmas to some lucrative summer item like tennis rackets.

Perhaps the more credible reason for believing that the trend away from the specialist trader may be halted is in the actions of those traders themselves. Some of the weaker ones have already gone out of business, but some of those left have, over the last ten years, formed voluntary buying groups. These have been set up both by wholesalers—as in the case of the Consortium—and retailers—as in the case of groups like Viking. These groups have not the relative strength of similar organisations in the grocery trade but they do enable members to get some of the buying and promotional advantages enjoyed by the big groups. Moreover, there are signs that this co-operation may increase. Recently, a larger

Suffered

Not surprisingly, in the circumstances, the independent toy retailers lost sales to the big groups. And as the independent shop suffered, so too did his wholesaler. The degree to which they lost out varied from one sector of merchandise to another. Obviously, there were some product categories in which the supermarkets made very slight inroads, but in many high volume markets, such as pocket money items and heavily advertised branded toys, the drift away was considerable. One manufacturer of games, for example, says that whereas seven years ago 41 per cent of his sales were to specialist traders, today only 28 per cent goes through these outlets. By comparison, the share of his sales accounted for by variety chains, like Boots, had grown from 18 per cent in 1977 to 25 per cent in 1976, while the supermarkets' share had risen from 3 per cent to 10 per cent over the six-year period. Interestingly, the share taken by the department stores' slice had shown no change.

But, in the view of some, the



This year's British Motocycle Championship was held in a nuclear power station—a typical Waddington publicity stunt.

toy varies considerably as was shown by a recent study of the independent toy retailer carried out by Manchester Business School and sponsored by British Lego. This survey showed that 43 per cent of toy sales were made through shops relying on toys for over 50 per cent of their sales, 35 per cent from those relying on toys for between 50 and 80 per cent, and only 23 per cent from those outlets which had less than half their trade in toys.

The same sample showed that despite changing distribution costs and systems, 70 per cent of toys were still delivered direct to independent shops. The traditional wholesaler supplied a further 27 per cent, while cash and carry wholesalers accounted for only 3 per cent of the trade. More worrying for the traditional wholesaler was the survey's finding that their strength was mainly among older shopkeepers—the kind of person who, if he was forced to close his shop, would either retire or seek alternative employment rather than go into toy retailing all over again.

Seasonal

The survey confirmed the highly seasonal nature of the trade. The shops monitored did 23 per cent of their annual toy business in December though, as might be expected, the seasonal imbalance was slightly less for specialist toy retailers. Discounting was found to be

Elinor Goodman

Letraset Toys

always adding variety with Rotadraw, Stationery Products, Toys, Crafts, Hobbies, and many more new products

Letraset Consumer Products Limited
Ashford Road TN25 2JU
A subsidiary of Letraset International Limited

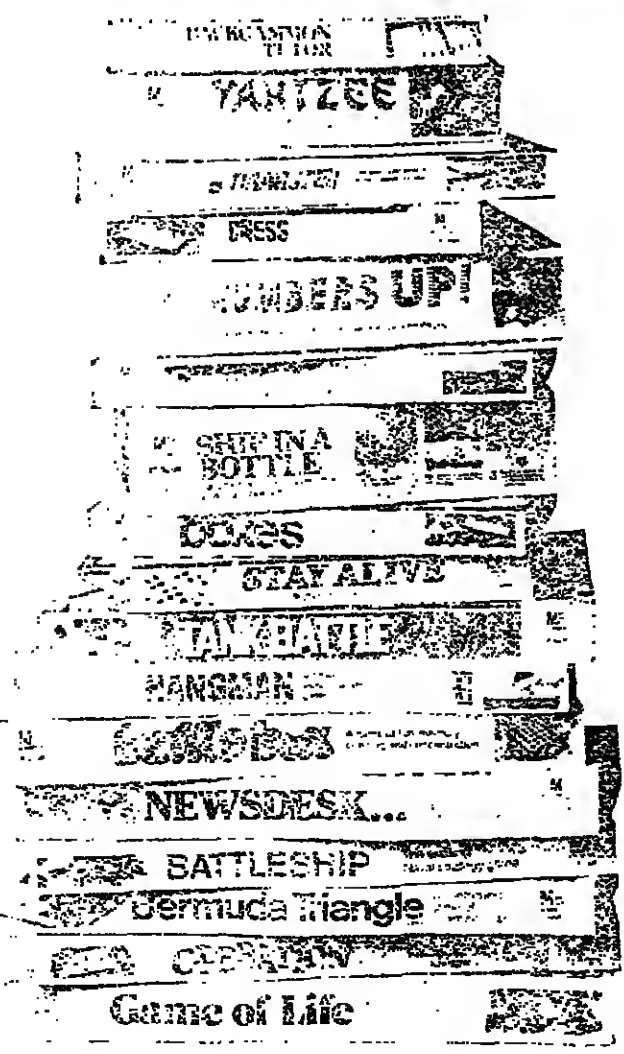
MB

GAMES

PLAYSKOOL

our toys make good friends

We owe a lot to the British People's sense of fair play!



Milton Bradley first came to the UK as recently as 1973. Since then we have introduced no fewer than 17 new games.

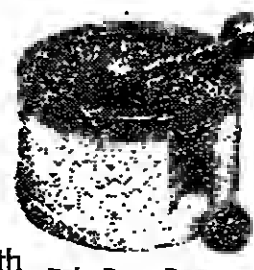
All quality family games—already proved to be popular with children and their families.

We have also introduced our superb range of pre-school toys—Playskool—for children from 6 months to 6 years of age.

All of our products, we're very pleased to say, have been well received by the British People. So much so, that in these past 3 years Milton Bradley has become a major supplier of toys and games in the UK.

Naturally we are proud of this achievement—though we are well aware of the fact that we couldn't have done it alone.

So we would like to thank everyone who has helped to put us where we are today—our customers and, above all, the British People.



The new Turin Play Buggy made by Andrews Naclaren

Promotion efforts

BOTH SMALL and large British toy companies enjoy a reputation for heavily promoting their products through the media.

Although TV is almost certainly the first choice for many, billboards, children's comics, the women's weeklies, the cinema circuits and more recently commercial radio all figure prominently too.

According to F. H. Rains of Haddons WPT, an advertising agency with considerable experience in the advertising and marketing of toys and games, £41m. of the £5m. spent on toy advertising in 1976 went to the TV contractors. This represented an increase of over 23 per cent on 1975, placing toys and games as a product group a surprising 19th among the biggest spenders on the box in 1975.

Strength

"Regionally is, of course, TV's strength. Although 87 per cent of the country are reached by ITV, TV is very much a regional medium, and unlike the national Press, smaller advertisers are therefore in a position to use it in tune with their distribution patterns. In this respect it is interesting to note that the overall pattern of toy sales is fairly uniform regionally, with slightly more purchasers in the North West, the Home Counties and Yorkshire."

While not the subject of TV, it should be mentioned that the Independent Broadcasting Authority (IBA) keeps a close watch on TV commercials for toys and games, and has recently stipulated that suggested retail prices should be shown for each product so that the parents watching can decide whether or not they can afford the thing before telling their children that they will buy it.

This move by the IBA has tended to irritate retailers who, quite rightly, point out that since retail price maintenance no longer exists, showing a price with the commercial hinders all the more their ability to compete with the multiples. In other words, if a game is listed to sell for "around £5.49," then any trader who sells it for above that figure is quite likely to come in for criticism from a customer who has seen the commercial and is simply not interested in overheads, rates or any other reason for what appears to be bumping up the price.

Advertising agencies say that generally it is virtually impossible in August (when the commercials are made ready for their clients) to predict how a campaign will run. There are two reasons for this. First, when the initial budget is set (fairly early in the year) there is little or no guarantee that the TV stations will hold down their rates for buying time. Second, competitors are obviously left to giving too much away to one another. Competition to show commercials is fierce. And unless the highest premium is actually paid, no assurances as to air-time are likely to be given.

G.B.

COWAN, de GROOT

John Bull
Print & Craft Sets
Boxed Gift Toys

Edco
Toys, Games and Character Merchandise

EDCO
Girls' Vanity Cases and Bags

ddl
Playsets & Houses, Hobby and Craft Kits

Cowan, de Groot Ltd., the parent company, was founded in January 1916 and became public in 1960.

The Toy Division supply leading chain stores, mail order houses, wholesalers, supermarkets and cash and carry organisations in the U.K.

The Division imports toys worldwide including The People's Republic of China, The Far East, Bulgaria, The German Democratic Republic, Russia and Yugoslavia, as well as Western Europe.

The manufacturing side of the Division produces the famous JOHN BULL printing and craft sets, as well as an extensive range of toys under various brand names.

COWAN, de GROOT LIMITED
Wakelield House, Chart Street, London N1 6DH

A RECORD YEAR FOR THE GROUP

Pretax Profits up 45%

Year	Net Profit before Taxation
68	1000
69	1200
70	1400
71	1600
72	1800
73	2000
74	2200
75	2400
76	2600
77	2800

The Fair you can depend upon EVERY year with dates fixed until 1985!

BOOK THIS DATE FOR 1978 Saturday Jan. 7th to Thursday Jan. 12th incl.

HARROGATE INTERNATIONAL TOY FAIR 1978

The FIRST Toy Trade Fair of the year with OVER 350 FIRMS showing the finest range of Toys, Games and Novelties from British Manufacturers plus the pick of the World's Markets

All enquiries to: Harrogate International Toy Fair Ltd., 5-9 Upper Street, Islington, London N1 1JF

APPLICABLE

Safety: room for improvement

CHILDHOOD IS one of the most dangerous periods of life. Not only are there the dangers of the adult world to contend with, but many activities and pastimes specifically designed for children actually have the effect of increasing the hazards which confront them.

Take the typical children's playground, with its swings set over squares of cement and its slide with nothing to stop youngsters falling from its summit. The accidents that occur here are notorious, yet the typically short-sighted local authority does nothing to reduce the risks and, yet more foolishly, goes on using the same ill-considered designs when providing additional play facilities.

In the home, toys, too, are often sources of hidden danger. Their paint can prove poisonous; dolls' eyes can prove insecurely attached and all too easy to swallow or, worse, may be fastened by sharp pins which pull out and fasten themselves in the child's eye.

There must be limits on the amount of danger which can be legislated away—it is impossible to conceive of a series of laws so comprehensive that every conceivable risk is eliminated.

Britain is in the forefront of the general movement toward making toys safer. The level of protection may not be as high as that in the U.S. There, the success of the Ralph Nader inspired consumer movement has placed manufacturers under the threat of legal penalties, especially in the civil courts, of a size guaranteed to put safety in the forefront of their thinking all the time. But it is considerably greater than in the rest of Europe (except, perhaps, for West Germany) where, as in Italy, for example, controls may be minimal.

This concern shows itself in, for example, the surprising fact that Britain and the U.S. are the only countries in the world to collect accident statistics on a product-related basis, thus providing a guide to the safety of otherwise of toys of different types.

Recent figures for the U.S.

show that in 1974, according to the country's Consumer Product Safety Commission, there were 36 deaths involving toys. In Britain, an analysis of six English and Welsh towns in 1973-74 showed that 238 of the 13,855 home accidents reported during the 12 months involved toys. Of those, 77 per cent happened to children younger than 15, with 44 per cent of those occurring to toddlers below the age of four.

Culprits

Swings, balls, toy cars and trucks and toy guns and pellets were the main culprits, with marbles, glass eyes of heads, fish hooks, dummies and pea shooters being among the other causes of injury.

The list itself clearly shows the impossibility of ending all accidents; there is no way an accident-proof ball can be designed, and outlawing pea-shooters would have no effect on those children, probably the majority, who make their own rather than using the shop-bought variety.

What the law in Britain, considerably strengthened in October, 1974, and again six months later, does do is place stringent limits on, for example, the level of potentially poisonous materials—arsenic, cadmium, lead and mercury—that can be used in paints for toys. Pile fabrics used as coverings on teddy bears and other soft toys must not be inflammable; electric toys must not use a current of more than 24 volts; plastic bags must carry a printed warning about the dangers of suffocation. Sharp points and edges are banned; things like dolls' eyes must either be incapable of being gripped by a child's finger or must be able to withstand a force of 20.2 pounds, making their removal and possible subsequent swallowing virtually impossible; wires, spikes and rods used in chiming mechanisms must be within a protective casing.

Backing up these and other legislated safety rules is the even more stringent code of

practice imposed by the major toy manufacturers themselves through their own trade association. And the standards are about to be tightened still further by the Consumer Safety Bill planned by the Government for the next session of Parliament. This, assuming it is passed, will give the Government the power to ban whole categories of potentially dangerous products and will also impose a new general duty on suppliers to ensure that, as far as is reasonably practicable, their goods are safe.

For the main U.K. toy companies, the planned Bill is unlikely to pose any problems. But importers, in particular, could find its provisions especially onerous. For, with stringent safety standards for toys so lacking in other countries (except, of course, the U.S. and West Germany, in particular), though the situation is gradually improving, the culprits in terms of danger often turn out to be imported.

This is where a second forthcoming move on the safety front should help. The European Commission is presently working on a general draft directive laying down requirements, to apply throughout the Common Market, for toy packaging, their labelling and directions for use, physical and mechanical hazards and flammability. This would be supplemented by more detailed directives covering such things as poisonous and electrical hazards, with the technical aspects based on the international safety standard for toys developed by the European Standardisation Committee.

The Commission's aim is not just improved safety: it has been concerned about safety regulations acting as non-tariff barriers to trade between member states.

This, the Commission hopes, will end with the introduction of common standards. And, it has emphasised, it will be aiming to make these standards those of the most advanced countries rather than a lowest common denominator. At the same time, however, it warns somewhat ominously that, if the

new standards are adopted by the Council of Ministers, a country would not be able to impose more stringent regulations than the Community ones since that would mean imports being restricted by quality requirements.

This is all well and good if the Commission's standards really do turn out to be the highest possible, even if the assumption that imports should not be restricted by quality requirements is rather frightening. One can but wait and see.

Meanwhile, the important thing is the rigid enforcement of the regulations we have now. According to the Department of Prices and Consumer Protection, they are "working very satisfactorily" with occasional problems arising with imported toys. Mr. James Tya of the British Safety Council, however, sees things somewhat differently.

"With toys, safety is still a problem, though it is improving year by year," he says. "Hong Kong, Red China and others are sending dangerous stuff in for sale on street markets. The importers ought to know better. Year by year we lobby the manufacturers and importers; they go through charades of one sort or another, but it doesn't percolate down to the people who do the buying."

Mr. Tya has harsh words for local authorities, too: they are reluctant to take retailers to court, he claims, while trading standards officers (formerly weights and measures inspectors) are not active enough in clamping down on dangerous products.

For parents and fond relatives, the answer seems to be to buy only well-known branded products from the big manufacturers in this country, the U.S. and West Germany or, with unbranded items, to buy only from the most reputable of the major stores. Imports from outside the U.S. and West Germany generally are safe, provided the importer is itself a reputable business and especially if it is using an overseas factory as an alternative source to supplement its U.K.-made products.

David Walker



Jim Henson, creator of the Muppets is choosy about who he will allow to produce Muppet toys. The soft Kermita shown here are made by Fisher-Price.

Superman, Starsky, Batman, Bond (etc.)

THE TOY industry's reliance on character merchandise has increased dramatically in recent years. The exteocal influences have largely centred on the growth of mass media communication, television especially, while within the trade itself the main impetus has stemmed from the relatively healthy condition of most of the major operating companies.

In essence, the mechanics of character merchandising are relatively simple. Manufacturing companies negotiate (where possible) an exclusive contract to mould their production around a mass media character, preferably one that is well known and long lasting. Licences are acquired for a down payment—"up front money"—and thereafter royalties are paid over according to sales levels. The norm here is around 5 per cent of the toy makers' lowest trade prices.

Understandably the business can be as risky as it is often lucrative. Competition for

licences can be keen, and in order to ensure a place at the head of the queue a toy maker may need to commit himself to the dotted line before the potential of the underlying licence can be properly assessed.

Further problems can arise where there is a time lag between acquisition of a character merchandise licence and full production of the toy concerned. Time lags vary but can extend for as much as 12 months. The danger is that in the intervening period a "character" will either wane in popularity or in the worst cases never in fact become popular.

The character merchandise divisions of the major toy and games manufacturing companies are littered with whole catalogues of fallen idols: who these days remembers the once famous Esso (in the tank) tiger? Pop star merchandise is notoriously speculative with "performers," both individuals and groups, coming and going with monotonous regularity. At the same time not all

character merchandise has the truly international appeal of say the Walt Disney creation, Micky Mouse. Many of the leading toy makers in this country—Dunlop-Combox-Marx, Lesney, Mettoy Airfix—have considerable market shares outside this country. Mettoy has little trouble in selling Batman, James Bond or Starsky and Hutch motor car toys in the U.K. and North America, but difficulties can arise in places like the Far East.

Expanded

Its Burbank range of soft toys is an important character merchandising area for Dunlop-Combox-Marx, which recently expanded its overseas operations through the acquisition of Louis Marx (U.S.A.) for some \$15m. It is generally reckoned that something like 60 per cent of the company's sales now arise outside this country—and within this percentage the links with character merchandise are extensive.

The company's growth in this field has clearly been exceptional in recent years and from the 25 per cent level presently prevailing it expects the proportion of sales associated with character merchandise to move up eventually to a maximum of around 30 per cent. This it feels is an optimum level and one that can be comfortably maintained with the risks and rewards associated with character merchandise evenly balanced.

Another company making efforts to expand its markets in this field is Wiggins Teape (Toys and Crafts), which at the start of 1977 signed up the exclusive use of American strip cartoon character Snoopy. The company is very much a marketing operation and at present character merchandise of one sort or another accounts for between 15 per cent and 20 per cent of total turnover.

It is pursuing this line of approach actively; and so is Dunlop-Combox-Marx which hopes to have two further well known "names" on its books in time for the Harrogate and Birmingham toy fairs next January.

Characterisations come and go along with changing times and fashions but the toy industry has a surprisingly high number of what it describes as perennials. The Walt Disney imagination has supplied a great many of them but a number of home-grown characters are also extremely popular.

According to some snap calculations undertaken for this survey by Dunlop-Combox-Marx the Walt Disney characters are far and away the most popular—or at least the most heavily promoted within the toy trade. If the Walt Disney popularity ratings stand at, say, 100 then the next most important group of characters would be the Tom and Jerry series which, say the marketing men at Dunlop-Combox-Marx, would hold a rating of 50.

Round at Walt Disney Productions, the company that handles the Disney empire's character licences in this country, the management are fairly emphatic about what they can do to-day offer their customers.

"Walt Disney" Productions prides itself on being able to give licences a continuing programme of merchandise. Every three years the organisation produces a new full length animated cartoon film. The company has a production called the Rescuers earmarked for this coming Christmas season which will introduce two completely new mouse characters as well as an albatross called Orville.

Jeffrey Brown

£100 million-plus* turnover.

£36 million capitalisation.

10-fold increase in pre-tax profits in five years.

70% overseas sales.

Who said toys are only for the little ones?

In the past five years, Dunbee Combex Marx has enjoyed a period of substantial growth.

Pre-tax profits have increased tenfold. Last year alone they increased by 68%.

During this time we not only expanded our U.K. operation but all our overseas operations too, in Australia, Belgium, Canada, France, Germany, Holland, Hong Kong, South Africa and the United States of America, which, together with direct exports, account for 70% of our turnover.

It has made us the largest toy Group in Europe and already amongst the first ten in the lucrative U.S. market.

Our policy is one of producing a wide range of goods in both cost and age terms. We offer

pocket-money toys, fashion toys, and all sorts right up to the more expensive hobby toys.

Our range of products offers something for everyone. From babes-in-arms to grandfathers. A very significant market.

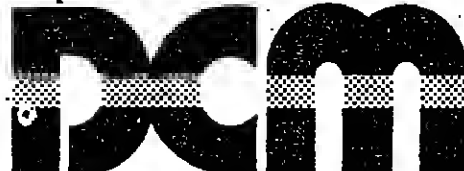
We make over 2,000 individual toys under the banner of world-famous names such as Hornby Railways, Scalextric, Playpeople, Pedigree Dolls, Playtime, Schuco, Marx Toys, Sindy, Simplex Puzzles, First Love, Yoyo, etc.

To keep earnings and profits on an upward trend we are investing heavily in improving existing and developing new products. £750,000 has been allocated for Hornby alone this year.

We are also constantly winning new contracts in all world markets. Recently, for instance, we negotiated a 10-year exclusive contract with the U.S.S.R. to provide moulds and equipment to them. The first toy and indeed the first consumer manufacturer ever to make such a breakthrough.

Our success has been due not only to excellent management and shrewd marketing but also to a very healthy cash flow and banking facilities, which allows us to take full advantage of opportunities which occur from time to time.

All of which may lead you to conclude that D.C.M. is a very sound investment indeed. And you'd be right, as the figures confirm.



Europe's number one toy group.

Head Office: 117-123 Great Portland Street, London W1N 6AH.

*1977 Expected.

On this page Greville Bogard, Editor of Toy Trader magazine (the journal of the National Association of Toy Retailers), looks at some of the main market sectors for toys.

Crafts & hobbies

ALTHOUGH FREQUENTLY linked, the craft and hobby sectors of the toy industry need to be examined separately.

With crafts, the demand is for do-it-yourself items which, through woodturning, modelling, staining, threading, etc., will enable the enthusiast to create his or her own individual "works of art" which could adorn the mantelpiece or even offer some practical use. Examples here are products like the Mosaikit where, as a substitute for pieces of glass and cement, the maker provides self-adhesive coloured vinyl pieces already pre-cut, plus instructions on where to lay them in order to build up a picture. There are, of course, far more intricate items, though these are usually offered by some of the older-established names, such as Reeves, George Rowney or Windsor and New-

By the summer of 1976, virtually all the key manufacturers had a finger in the model railway pie as demand for this product dictated. Consequently, they frequently urged retailers to stick to their one particular brand rather than carry small, insignificant selections from them all. "Specialist retailers will do well to concentrate on comprehensive railways systems offering a full range of accessories - for only in this way will they maximise their potential for future sales," Karl Mueller, managing director of Hornby Hobbies said last year. And it was this very point about accessories that was stressed time and time again in answer to criticisms by small toy shops that too many stores

were getting in on the act. The multiples may sell the train sets in the first place, agreed the manufacturers/importers, but, they argued, it was only the specialist retailer who was in a position to service and expand on the original purchase. Customers soon had to decide what gauge, what livery as well as what brand to buy. And the brands went on and on: Airfix, Fleischmann, Hornby, Jouef, Mainline, Marklin, Peeco and Rivarossi—to name most of them. With regard to electronic kits, though usually very technical they do result in something tangible—be it a germanium radio, morse code set, oscillator or amplifier.

Dolls

An interesting development of late, however, is the diversification into crafts of companies hitherto known for something else entirely. One such firm is dye manufacturer Dylan International, which exports 85 per cent of its production. Now Dylan has launched its new Color-Fun Junior Kits, which permit the proud owner to iron on a design of his choice on to almost any fabric (T-shirt, etc.) and then proceed to colour it with non-toxic washproof paints supplied.

Yet another comparative newcomer is Letraset, the instant lettering company which supplies commercial art studios. The company is heavily committed to the toy/craft trade with its large range of rub-down transfers featuring a variety of popular children's characters.

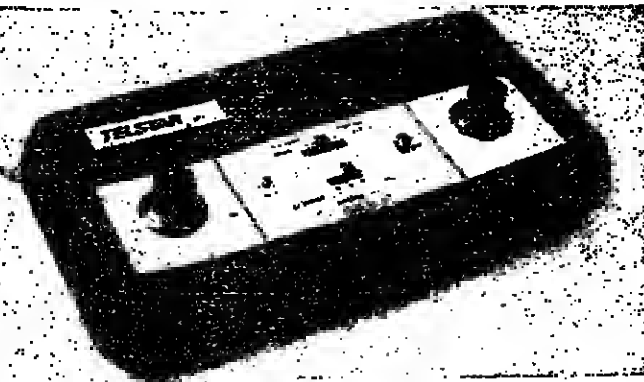
Even more "striking" is the emergence of Bryant and May, the match manufacturer. The first big national advertising campaign for its product Woodcraft (a series of building kits in OO scale) breaks this month. Turning now to hobbies: they really embrace slot-racing, polystyrene and metal kits, model railways and also precision electronics kits.

ALTHOUGH THE demand for traditional walking-talking/rag dolls continues, especially for the very young, the real growth area in this category in recent years has been through the increasing sophistication of the products, evolving into 12 inch poseable figures which appeal to teenagers too. It is now more than ten years since Palitoy's Action Man made its debut—a turning point if ever there was one. For not only was it heralded as a breakthrough in design, but Action Man also made it acceptable for boys as well as girls to play with "dolls." Indeed, such is the popularity of Action Man that in September Transworld Publishers launched four Corgi Carousel paperbacks based on the character.

Most of the large British manufacturers offer 12-inch poseable action-figures, many of which are made under licence. In fact, increasingly it is Hollywood to which they turn for inspiration. Hence the introduction of products based on Slarsky and Hutch, Donny and

Marie Osmond, Six Million Dollar Man, Planet Of The Apes, etc. Airfix, as a matter of interest, on learning that the star of the TV series Charlie's Angels was about to quit the show (taking with her a vast fan following), wisely chose to offer a Farrah Fawcett-Majors doll. Meanwhile, Denys Fisher has the rights to Bionic Woman, which features a Bionic ear that pings when her head is turned from side to side. Other candidates for action dolls include the comic book heroes like Superman, Batman and the Incredible Hulk.

Finally, before parting with their £3 or so for the dolls of their dreams, to-day's children want them in the type of clothes that they themselves would want to wear. No more ill-fitting trouser-suits in garish colours, haute-couture is the key. And to prove it, one company (Flair Toys of Northampton) even have Mary Quant designing the wardrobe for their Daisy Doll—right down to the prints on the fabrics.



ABOVE: Palitoy's new Telstar TV game allows the player to choose between tennis, football, handball or squash.



LEFT: The latest fashion doll from Airfix is based on Farrah Fawcett-Majors (late of TV's Charlie's Angels). It costs £5.49.

BELOW: A ship in the bottle kit made by Milton Bradley.

BOTTOM: A game of Master Mind (Invicta Plastics) whistles away the time for would-be travellers during a recent dispute at Heathrow.



Board games

THE BOARD games sector of the toy industry has been going through its own small recession. As predicted recently by John Watson, Marketing Director of Waddington's (makers of Monopoly) the games market has reached saturation point. He estimated that there were no less than 470 games available in 1976, rising to 500 this year (1977) with about 100 of these newly launched. He reckoned that 42 per cent of all the homes in Britain owned a Monopoly set and that combined, the domestic toys and games industry is worth around £230m. a year.

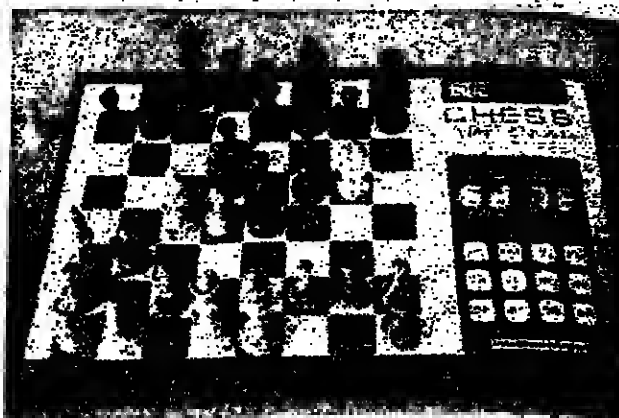
The trouble appears to be that there have been too many one-off manufacturers—those who could offer only a single product and even then not be certain that they could deliver. Many of these lines were poorly researched, arriving in the shops with pieces missing and featuring highly complicated instructions. On top of all this, the illustration on the box often bore no resemblance to the contents. The expression "We'll Sell You The Box, And Give You The Contents For Free" was never more apt.

The consumer, therefore, bamboozled with the ultra-sophisticated packaging of numerous new games which were not what they at first appeared to be, frequently decided against buying any one of them—choosing something else entirely.

There were and still are, of course, exceptions. The quality of games like Monopoly and Scrabble, among others, is still first rate. If a customer picks a game from any of the respected names (Waddington's, Spears, Milton Bradley, Ideal, to name but four), they are unlikely to be disappointed.

And while some games launched on the market have not been warmly greeted, there are still cases where a newcomer has gone from strength to strength. Take Master Mind (Invicta Plastics) as an example. Millions have been sold since this simple plastic peg game, which is based on a process of elimination. In fact, it is so successful that every Saturday night, the independent broadcasting station, BRMB, in Birmingham puts out a radio version for listeners on its late show.

The interest in games has resulted in the birth of specialist



For the chess player who wants to improve his DE Chess Challenger, which allows the player to pit his skill against a computer (and occasionally Cost £150-200).

games shops, which continue to spring up, notably in the Greater London area. Places like the Games Centre in Hanway Street or the Games Workshop in Uxbridge Road are staffed by experts who will actually demonstrate a game upon request, with no obligation to buy.

Incidentally, Peter Darvill-Evans, who runs the Games Centre shops, told me that his customers vary considerably. His favourite story took place at his Kingston branch where a diminutive Rasputin-like figure inquired: "Do you have any games which involve mazes?" Eagerly Darvill-Evans began to explain the mechanisms of Lazy

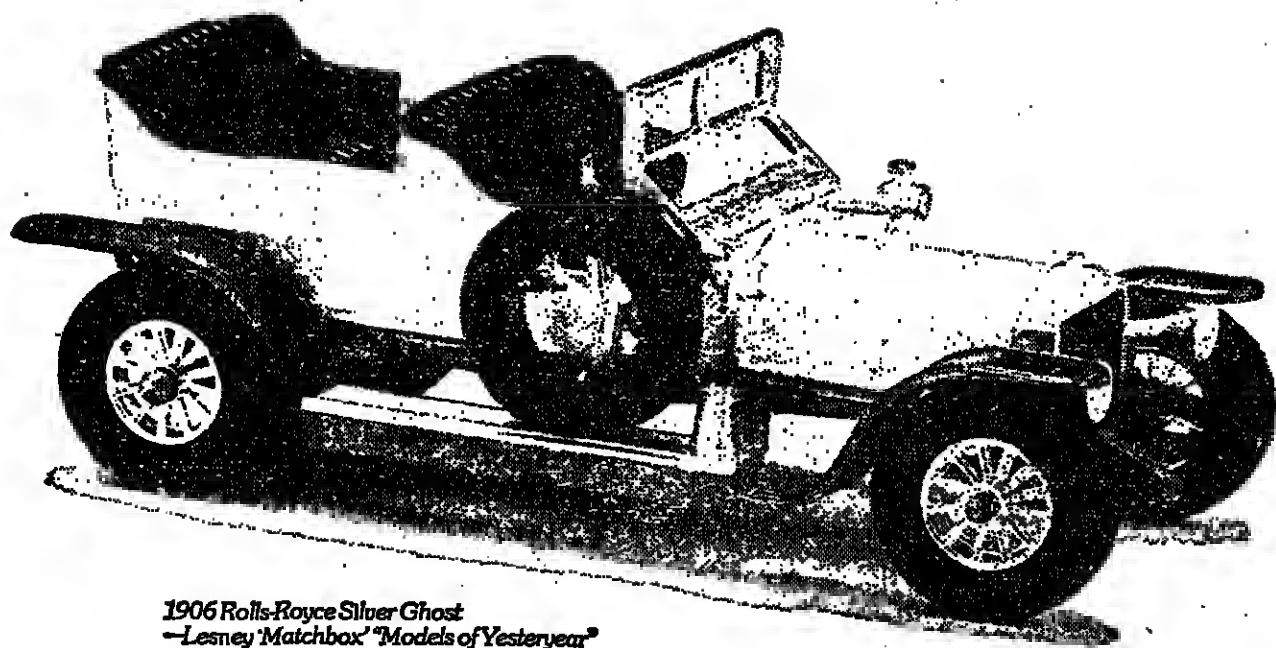
Video games

VIDEO GAMES burst upon the scene early in 1975. Encouraged by the success of audio-visual amusement machines installed at pubs and clubs, the first home models retailed at around £50. But, as with most marvels of engineering, if you waited long enough the price came tumbling down. Nowadays, it is not uncommon to pay only £19.

However, the bulk of these products are sold through departmental stores. Small retailers were approached at the beginning, but their reaction to the steep asking price was somewhat diffident. To-day's humble video games have become progressively more reliable and simple to operate, and several innovations, such as a target firing ride range attachment, have been introduced.

Palitoy, maker of Action Man, is soon to offer its own TV video game, Telstar—aimed presumably at the toy shops who turned down the idea a few years ago. In any case, dealing with an established account. Tennis, football, ball and squash can all be played using a console which plugs into the TV socket. A completely different electronic game featuring light-emitting diodes (LED) solid-state technology is Godel (Dacoll Games, West Lothian) where players must negotiate hazards on an electronic board as well as defeat their opponents. Whether or not utilizing electronic games will supersede the traditional dice counters variety is hard to say, though, that, since children, turning more and more to passive entertainment, for passive entertainment active interest (which requires skill and a degree of concentration) is certainly welcome.

Built to Last



1906 Rolls-Royce Silver Ghost - Lesney Matchbox 'Models of Yesteryear'

- Lesney has been setting the pace in the toy industry for 30 years
- Sales last year were over £56 million
- Generating a return of 28 per cent on net assets of £27 million
- This year £5 million will go into developing new products
- Another £4 million is earmarked for new plant
- Half of Lesney's sales comes from the original 'Matchbox' 75 miniatures
- The rest is spread among 40 product lines and 400 different items—from plastic construction kits to dolls
- In the UK Lesney has 16 modern plants employing over 6000 people
- In the USA there is another 200,000 sq. ft. of manufacturing and warehousing
- And there are more Lesney International companies in Australia, Canada, Belgium, France, Germany, Norway, Sweden, Hong Kong and Japan
- £46 million of last year's sales was to customers overseas
- And Lesney is the only British toy company to receive the Queen's Award for Export Achievement—five times



Lesney Products & Co. Limited London E9 5PA

Handwritten signature or note in a box.

هذا من الأصل

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts listing various funds such as British Life Office, Brown Shipley & Co., and others with their respective details and performance metrics.

Table of Offshore and Overseas Funds listing international investment vehicles like Arbutnot Securities, Fidelity Mgmt. & Res., and others with their details and performance.

Table titled 'CLIVE INVESTMENTS LIMITED' showing financial data for various investment categories like Royal Exchange, Clive Fixed Interest, and Clive Fixed Interest Income.

Table titled 'CORAL INDEX: Close 514.519' showing various market indices and their values.

Table titled 'INSURANCE BASE RATES' showing rates for different types of insurance such as Property Growth and Cannon Assurance.

Table titled 'BASE LENDING RATES' showing interest rates for various banks and financial institutions.

Advertisement for 'VEST IN 50,000 BETTER TOMORROWS!!' discussing multiple sclerosis and the benefits of a specific insurance policy.

INSURANCE, PROPERTY, BONDS

Large table of Insurance, Property, and Bonds listing various providers like Abbey Life, Cornhill Insurance, and others with their product details and rates.

NOTES section providing additional information and disclaimers regarding the insurance and investment products.

BE The British Engineers RIVETING SYSTEMS & PARTS FEEDING AND ASSEMBLY SYSTEMS... INCREASED PRODUCTIVITY... The Guide to the BE Group

FT SHARE INFORMATION SERVICE

HOTELS-Continued Table with columns for Hotel Name, Stock, Price, Div, Yield, etc.

**BRITISH FUNDS

Table of British Funds including 'Shorts' (Lives up to Five Years) and 'Five to Fifteen Years' with columns for Name, Stock, Price, Div, Yield.

Over Fifteen Years

Table of funds categorized as 'Over Fifteen Years' with columns for Name, Stock, Price, Div, Yield.

Undated

*INTERNATIONAL BANK

Table for International Bank with columns for Name, Stock, Price, Div, Yield.

*CORPORATION LOANS

Table of Corporation Loans with columns for Name, Stock, Price, Div, Yield.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans with columns for Name, Stock, Price, Div, Yield.

LOANS (Miscel.)

Table of Miscellaneous Loans with columns for Name, Stock, Price, Div, Yield.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails with columns for Name, Stock, Price, Div, Yield.

AMERICANS-Continued

Table of American stocks with columns for Name, Stock, Price, Div, Yield.

Conversion factor 0.7631 (0.7613)

CANADIANS

Table of Canadian stocks with columns for Name, Stock, Price, Div, Yield.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase with columns for Name, Stock, Price, Div, Yield.

Hire Purchase, etc.

Table of Hire Purchase, etc. with columns for Name, Stock, Price, Div, Yield.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits with columns for Name, Stock, Price, Div, Yield.

AMERICANS

Table of American stocks (repeated) with columns for Name, Stock, Price, Div, Yield.

BUILDING INDUSTRY-Cont.

Table of Building Industry stocks with columns for Name, Stock, Price, Div, Yield.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics stocks with columns for Name, Stock, Price, Div, Yield.

CINEMAS, THEATRES AND TV

Table of Cinemas, Theatres and TV stocks with columns for Name, Stock, Price, Div, Yield.

DRAPERY AND STORES

Table of Drapery and Stores stocks with columns for Name, Stock, Price, Div, Yield.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads stocks with columns for Name, Stock, Price, Div, Yield.

DRAPERY AND STORES-Cont.

Table of Drapery and Stores stocks (repeated) with columns for Name, Stock, Price, Div, Yield.

ELECTRICAL AND RADIO

Table of Electrical and Radio stocks with columns for Name, Stock, Price, Div, Yield.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools stocks with columns for Name, Stock, Price, Div, Yield.

ENGINEERING

Table of Engineering stocks with columns for Name, Stock, Price, Div, Yield.

DRAPERY AND STORES

Table of Drapery and Stores stocks (repeated) with columns for Name, Stock, Price, Div, Yield.

ENGINEERING-Continued

Table of Engineering stocks (repeated) with columns for Name, Stock, Price, Div, Yield.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, etc. stocks with columns for Name, Stock, Price, Div, Yield.

HOTELS AND CATERERS

Table of Hotels and Caterers stocks with columns for Name, Stock, Price, Div, Yield.

INDUSTRIALS (Miscel.)

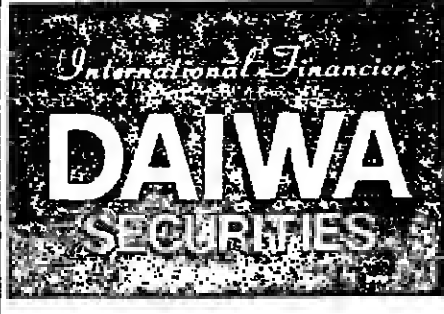
Table of Industrial stocks (Miscellaneous) with columns for Name, Stock, Price, Div, Yield.

INDUSTRIALS (Miscel.)

Table of Industrial stocks (Miscellaneous) (repeated) with columns for Name, Stock, Price, Div, Yield.

Handwritten signature or mark at the bottom of the page.

هذا من الأصل



INDUSTRIALS—Continued

Table of industrial stocks including companies like ICI, British Petroleum, and various engineering firms.

INSURANCE—Continued

Table of insurance companies such as Sun Alliance, Commercial Union, and others.

PROPERTY—Continued

Table of property-related companies and investment trusts.

INV. TRUSTS—Continued

Table of investment trusts including various equity and bond funds.

FINANCE, LAND—Continued

Table of finance and land-related companies and trusts.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade companies like Rover, Leyland, and others.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing companies such as News International and others.

PROPERTY

Table of property companies and investment trusts.

SHIPBUILDERS, REPAIRERS

Table of shipbuilding and repair companies.

SHOES AND LEATHER

Table of shoe and leather companies.

SOUTH AFRICANS

Table of South African companies.

TOBACCO

Table of tobacco companies.

SHIPPING

Table of shipping companies.

TEAS

Table of tea companies.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land companies.

OILS

Table of oil companies.

RUBBERS AND SISALS

Table of rubber and sisal companies.

FAR WEST RAND

Table of far west rand companies.

MINES—Continued

Table of mining companies including Central African and Australian mines.

TINS

Table of tin companies.

MISCELLANEOUS

Table of miscellaneous companies and financial data.

CENTRAL AFRICAN

Table of Central African mining companies.

AUSTRALIAN

Table of Australian mining companies.

MISCELLANEOUS

Table of miscellaneous companies and financial data.

TEAS

Table of tea companies.

RUBBERS AND SISALS

Table of rubber and sisal companies.

FAR WEST RAND

Table of far west rand companies.

INDUSTRIALS

Table of industrial companies.

INSURANCE

Table of insurance companies.

PROPERTY

Table of property companies.

INV. TRUSTS

Table of investment trusts.

FINANCE, LAND

Table of finance and land companies.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade companies.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing companies.

PROPERTY

Table of property companies.

SHIPBUILDERS, REPAIRERS

Table of shipbuilding and repair companies.

SHOES AND LEATHER

Table of shoe and leather companies.

SOUTH AFRICANS

Table of South African companies.

SHIPPING

Table of shipping companies.

TEAS

Table of tea companies.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land companies.

OILS

Table of oil companies.

RUBBERS AND SISALS

Table of rubber and sisal companies.

FAR WEST RAND

Table of far west rand companies.

INDUSTRIALS

Table of industrial companies.

INSURANCE

Table of insurance companies.

PROPERTY

Table of property companies.

INV. TRUSTS

Table of investment trusts.

FINANCE, LAND

Table of finance and land companies.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade companies.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing companies.

PROPERTY

Table of property companies.

SHIPBUILDERS, REPAIRERS

Table of shipbuilding and repair companies.

SHOES AND LEATHER

Table of shoe and leather companies.

SOUTH AFRICANS

Table of South African companies.

SHIPPING

Table of shipping companies.

TEAS

Table of tea companies.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land companies.

OILS

Table of oil companies.

RUBBERS AND SISALS

Table of rubber and sisal companies.

FAR WEST RAND

Table of far west rand companies.

INDUSTRIALS

Table of industrial companies.

INSURANCE

Table of insurance companies.

PROPERTY

Table of property companies.

INV. TRUSTS

Table of investment trusts.

FINANCE, LAND

Table of finance and land companies.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade companies.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing companies.

PROPERTY

Table of property companies.

SHIPBUILDERS, REPAIRERS

Table of shipbuilding and repair companies.

SHOES AND LEATHER

Table of shoe and leather companies.

SOUTH AFRICANS

Table of South African companies.

SHIPPING

Table of shipping companies.

TEAS

Table of tea companies.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land companies.

OILS

Table of oil companies.

RUBBERS AND SISALS

Table of rubber and sisal companies.

FAR WEST RAND

Table of far west rand companies.

INDUSTRIALS

Table of industrial companies.

INSURANCE

Table of insurance companies.

PROPERTY

Table of property companies.

INV. TRUSTS

Table of investment trusts.

FINANCE, LAND

Table of finance and land companies.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade companies.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing companies.

PROPERTY

Table of property companies.

SHIPBUILDERS, REPAIRERS

Table of shipbuilding and repair companies.

SHOES AND LEATHER

Table of shoe and leather companies.

SOUTH AFRICANS

Table of South African companies.

SHIPPING

Table of shipping companies.

TEAS

Table of tea companies.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land companies.

OILS

Table of oil companies.

RUBBERS AND SISALS

Table of rubber and sisal companies.

FAR WEST RAND

Table of far west rand companies.

INDUSTRIALS

Table of industrial companies.

INSURANCE

Table of insurance companies.

PROPERTY

Table of property companies.

INV. TRUSTS

Table of investment trusts.

FINANCE, LAND

Table of finance and land companies.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade companies.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing companies.

PROPERTY

Table of property companies.

SHIPBUILDERS, REPAIRERS

Table of shipbuilding and repair companies.

SHOES AND LEATHER

Table of shoe and leather companies.

SOUTH AFRICANS

Table of South African companies.

SHIPPING

Table of shipping companies.

TEAS

Table of tea companies.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land companies.

OILS

Table of oil companies.

RUBBERS AND SISALS

Table of rubber and sisal companies.

FAR WEST RAND

Table of far west rand companies.

INDUSTRIALS

Table of industrial companies.

INSURANCE

Table of insurance companies.

PROPERTY

Table of property companies.

INV. TRUSTS

Table of investment trusts.

FINANCE, LAND

Table of finance and land companies.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade companies.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing companies.

PROPERTY

Table of property companies.

SHIPBUILDERS, REPAIRERS

Table of shipbuilding and repair companies.

SHOES AND LEATHER

Table of shoe and leather companies.

SOUTH AFRICANS

Table of South African companies.

SHIPPING

Table of shipping companies.

TEAS

Table of tea companies.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land companies.

OILS

Table of oil companies.

RUBBERS AND SISALS

Table of rubber and sisal companies.

FAR WEST RAND

Table of far west rand companies.

INDUSTRIALS

Table of industrial companies.

INSURANCE

Table of insurance companies.

PROPERTY

Table of property companies.

INV. TRUSTS

Table of investment trusts.

FINANCE, LAND

Table of finance and land companies.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade companies.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing companies.

PROPERTY

Table of property companies.

SHIPBUILDERS, REPAIRERS

Table of shipbuilding and repair companies.

SHOES AND LEATHER

Table of shoe and leather companies.

SOUTH AFRICANS

Table of South African companies.

SHIPPING

Table of shipping companies.

TEAS

Table of tea companies.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land companies.

OILS

Table of oil companies.

RUBBERS AND SISALS

Table of rubber and sisal companies.

FAR WEST RAND

Table of far west rand companies.

INDUSTRIALS

Table of industrial companies.

INSURANCE

Table of insurance companies.

PROPERTY

Table of property companies.

INV. TRUSTS

Table of investment trusts.

FINANCE, LAND

Table of finance and land companies.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade companies.

NEWSPAPERS, PUBLISHERS

Kaunda offers more talks with Smith

BY OUR FOREIGN STAFF

PRESIDENT KAUNDA of Zambia told diplomats yesterday that he was prepared to hold further talks with Mr. Ian Smith, the Rhodesian Prime Minister, if these were to the interests of Zambia and of black Rhodesians, including the guerrillas fighting the war.

Dr. Kaunda also gave further details of the secret talks he had in Lusaka on September 25 with Mr. Smith which have deeply upset the militant guerrilla leaders of Mr. Robert Mugabe's ZANU (Zimbabwe African National Union) and have presented the Patriotic Front alliance between Mr. Mugabe and Mr. Joshua Nkomo with a serious internal crisis.

The Zambian leader told diplomats that Mr. Smith through Mr. Tim Rowland, chief executive of Lonrho—described yesterday as "one of six good capitalist friends"—had made it clear he wanted to discuss the Anglo-American initiative with Dr. Kaunda.

At the meeting, Mr. Smith said he was prepared to hand over power to the Rhodesian majority, but not to a British Resident Commissioner as foreseen in the Anglo-American plans.

He also told Dr. Kaunda that he would hand over to a non-British figure and that he wanted

of his army retained, again counter to the provisions of the Western package. Dr. Kaunda rejected these demands because, he said, they moved away from the Anglo-American package.

Mr. Smith made two further proposals. One was for a meeting with Mr. Nkomo, the co-leader of the Patriotic Front who was in Lusaka at the time of the South-Kaunda talks. The other was for the Patriotic Front leaders, the front-line states—Zambia, Tanzania, Mozambique, Angola and Botswana—the Rhodesian government and other nationalists to meet in Lusaka or elsewhere to discuss alternative plans for an internal settlement.

This suggestion, too, was rejected. Dr. Kaunda said.

Dr. Kaunda spoke of renewed hostilities on the border with Rhodesia a few days ago at Chirundu on the Zambezi, 60 miles south of Lusaka. But his attitude to a further meeting with Mr. Smith appeared to indicate that he still sees a role for quiet diplomacy in a situation where many, particularly among ZANU leadership, see war as the only way to effect a revolutionary takeover in Rhodesia.

"If Smith asks to see me again and if I feel talks would be good for the Patriotic Front and the people of Zambia and of Zim-

British Oxygen return-to-work hangs in balance

BY NICK GARNETT AND LYNTON McLEAN

THERE were indications yesterday that British Oxygen may not succeed with its latest assurances in ending the official strike by 3,000 manual workers in the gases division.

The company, in separate union and management talks with officials of the Advisory Conciliation and Arbitration Service on Monday, gave new assurances—no redundancies and no pay cuts after any new pay agreement.

It appears to have hinted at a revised productivity deal on that it has offered, but will not go into details until the meeting returns to work.

There is also a possibility of talks next year on another productivity scheme based on the existing 1969 agreement.

The strike, which has had repercussions throughout industry, yesterday hit leader into engineering component supplies.

It made its first impact in the health service when 25 non-emergency operations at Bradford Royal Infirmary were not carried out because of shortage of nitrous oxide.

Union branch meetings covering all the 56 affected depots are expected to-day and tomorrow. A joint meeting of Transport and General Workers' Union and General Municipal Workers' Union ship stewards is fixed for tomorrow to discuss the position and the response from individual branches.

Shop stewards said the company's new assurances were "important," but that the

nonofficial strike centred on a pay demand which the company had gone no further toward meeting. Some predicted that the men would vote to continue the strike.

The offer involves a deal within the Government's guidelines together with a self-financing scheme the company says may add up to a further 8.5 per cent. The unions have been seeking 30 per cent rises and say the company's productivity figures are misleading.

Union officials have expressed hope that the men will decide to go back and allow negotiations to continue on the basis of Monday's talks.

THE LEX COLUMN Bolstering ATV's balance sheet

Index fell 2.4 to 514.7

The stock market had a pretty quiet day ahead of this afternoon's package from the Chancellor. But elsewhere the pressure on sterling remained firmly upwards despite a better showing by the dollar against most currencies, and the trade weighted index for sterling edged beyond its recent range to 82.6. Meanwhile the weekly issue of yearling bonds was fixed at a significantly higher yield — the first rise since early July. Perhaps these are portents of things to come.

barrowings into the balance sheet.

The market seemed to accept the rights issue happily enough, even though it follows closely on the placing of 100 21 per cent. Reed stake in the "A" at around 92p in August. The big recent supply of ATV paper is reflected in the discount of just over a 51/2 at 90p compared with Monday night's price, and in the prospective ex-rights yield of 9.8 per cent.

ATV

It is a long way from a licence to print money to a £9.4m rights issue, but that is the step that Associated Television took yesterday through a one-for-four offer of "A" shares at 90p. Despite the fact that "exceptional" TV programme costs in the first half of the current year will trim profits below the £5.2m. pre-tax record in the same period last time, there is nothing very wrong with the cash-generating characteristics of the TV contracting side at present. For the full year, profits will be at least £13m. pre-tax against £11.1m. So, although ATV, giving reasons for the issue, concentrate on the need to broaden the capital base, perhaps ahead of further acquisitions, there is bound to be a suspicion that the new equity is needed specifically to assist with financing the group's ambitions in the very high risk area of feature film production.

Insurance brokers

The messy affair of Sime Darby's insurance broking subsidiary, the Robert Bradford Group, gets strictly superficial treatment in the parent company accounts. The potential pre-tax losses incurred by Bradford on its problem aviation account amount at about £31m. But this provision will presumably take some account of any recovery due under Bradford's own insurance protection, and when this is added to the bad debt provisions forced on a number of other insurance brokers, it is clear the gross cost to the insurance market will be £5m. or more.

The precise cause of the losses is still not clear. Sime Darby says that they arose mainly because of a large increase in claims against aviation reinsurers, which led to some failures among smaller overseas companies. In addition, there seems to be some debate about whether the Bradford agency exceeded the limits placed upon it by its pool of underwriters in certain types of business.

Paterson Zochonis

The Nigerianisation of Paterson Zochonis' Nigerian subsidiary occurs after the group's financial end, but... Z's present figures quantify the impact. It is not a bad case for a company which has raised 60 per cent of its equity from 60 per cent to 40 per cent shares to local investors. A third of net asset value, although this results in a loss to reserves, net assets at the end of the day come out at 186p per share, less of the Nigerian subsidiary. However, after an extra £4m associate income and minority interests attributable are only £1.1m. lower at £1.1m. While interest centres financial impact of the switchover, it is clear that has had another very good year. In 1976 the group created its pre-tax profit of £10.7m, and last year, after another £5.3m. increase, before adjusting for the dividend had increased by 127 per cent. Shares at 230p still yield 4.6 per cent, and a multiple of 11.5 reflects concern about quality of Z's earnings.

Government may close two oil platform yards

BY RAY DAFTER, ENERGY CORRESPONDENT

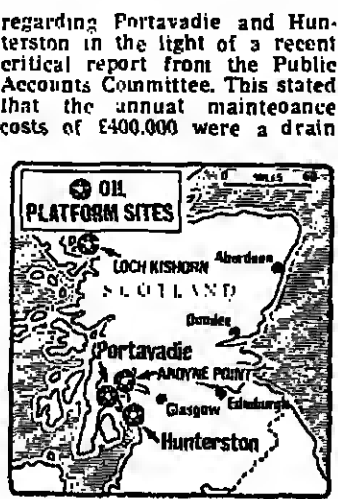
THE GOVERNMENT is expected to close two oil platform construction sites next year, and write off its losses of more than £20m.

The yards, at Hunterston and Portavadie, were constructed to meet the need for concrete platform construction facilities. But since their opening, more than two years ago, the sites have failed to win a single order from the North Sea oil industry.

Both the Department of Energy and the Scottish Office have been anxious to maintain the facilities in order that the U.K. platform construction industry should be able to offer a full range of designs when offshore development business picks up. Small task forces are keeping the sites in readiness.

However, reports now reaching the Energy Department and its Offshore Supplies Office suggest that over the next few years there will be a limited market for concrete platforms. Most oil companies, looking at development programmes, are tending to favour steel platforms or other less expensive methods of oil production.

It is thought that the Government is reviewing its policy



regarding Portavadie and Hunterston in the light of a recent critical report from the Public Accounts Committee. This stated that the annual maintenance costs of £400,000 were a drain on public funds. It urged an decision on the future of the sites.

Of the two sites, the Government has more control over Portavadie than Hunterston. Portavadie was built with Government money at a cost of £14m. The lease is vacant following the recent departure of Sea Platform Constructors.

The Hunterston site was developed with between £5m. and £7m. of Government

guarantees. The outlook here is slightly more hopeful, British-Dutch ANDOC consortium, is still optimistic of winning an order. But it may be set a time limit by the Department of Energy, and the Government may well not renew its lease next year.

Three of the four concrete platform construction sites — Hunterston, Portavadie, and McAlpine Sea Tank at Ardyne Point — are now without contracts. The fourth site, Howard Doris at Loch Rishard, faces closure next spring if it cannot win an order to follow the platform now nearing completion.

The steel platform builders recently received a boost when, following a good deal of Government involvement, Texaco decided to order part of its Tartan Field structure from Redpath Dorman Long at Methil.

Although Mr. McQueen's of Ardersier is working on three structures, and Highland Fabricators at Nigg Bay is building a further platform for Ninian, there is still a good deal of spare capacity in the U.K. steel platform fabrication industry. Laid Offshore at Ardersier, Teesside, is still without an order.

U.K. wins EEC row over JET site

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

LUXEMBOURG, Oct. 25.

MR. ANTHONY WEDGWOOD BENN, the Secretary for Energy, to-day hailed as "a tremendous decision for Britain" the vote by EEC research ministers this afternoon to build the joint European jet (JET) nuclear fusion experiment at Culham Laboratory of the U.K. Atomic Energy Authority near Oxford.

Though the £120m. project was unlikely to bear fruit until early next century, he said, it would provide important new energy option when the time came, perhaps in 20 years, for a Government decision on whether to embark on a large-scale commercial fast-breeder programme.

JET is an experiment in producing energy from abundantly available fuels by fusing hydrogen atoms at extremely high temperatures and pressures.

If successful, it may pose a lower environmental risk than nuclear fission, the basis of present-day nuclear power stations.

To-day's decision ends almost two years of political baggling which sometimes threatened to sink the project. EEC officials believe that the final details can be settled rapidly, and construction work, due to last at least five years, started in six months.

The choice before Ministers to-day was between Culham and Garching, near Munich, strongly promoted by the West German Government.

Because a unanimous decision seemed impossible, Britain and Bonn agreed it should be put to a qualified majority vote.

M. Heurt Simoet, the Belgian Foreign Minister and president of the Council, asked each of his colleagues to give privately his Government's site preference.

Culham was backed by Denmark, France, Ireland and Holland as well as Britain, while only West Germany and Luxembourg voted for Garching. The abstainers were Belgium and Italy, which said that she would support the verdict of the majority.

The JET project will have a life as an experimental rig of about 15 years and employ about 350 scientists.

About £90m. has been allocated for its construction, about a quarter borne by the U.K. and the rest by the EEC Budget, with other governments. A further £90m. has been earmarked for operating costs.

JET trial-blazing, Page 20
EEC oil agreement, Page 5

Arab Minister gunned down in Abu Dhabi airport attack

BY OUR FOREIGN STAFF

MR. SEIF BIN GHOBASH, said that the gunman was a Deputy Foreign Minister of the Palestinian with an Iraqi passport. He exchanged fire with police, before escaping through the airport restaurant to the tarmac.

The killer then herded seven hostages, all airport employees, into a nearby aircraft. After 90 minutes of negotiations, he surrendered, and later he was taken to a hospital in Beirut, M.E.N.A. Two apparent accomplices had escaped and were being sought by police.

Besides the two attempts to assassinate Mr. Khaddam, the Black June organisation claimed responsibility for the bombing of the Semiramis Hotel in Damascus last September, and the attack last November on Amman's Intercontinental Hotel.

It may also have been behind some of the assassinations and explosions in Syria earlier this year, which, together with terrorist incidents in Egypt, sparked fears of a concerted terror campaign by members of the "rejection group" who seek to disrupt moves towards a peaceful settlement of the Arab-Israeli conflict.

The men executed for the attack on the Semiramis Hotel said they had named their organisations after the date when Syrian troops entered Lebanon last year to put an end to the 18-month civil war. They maintained that Syria wanted to crush the Black June organisation, the Jordanian army had suppressed them in 1970, the event which led to the founding of the Black September terrorist organisation.

Mr. A. Tary, Mr. Mr. Jumath and Alikhan, left Beirut last night with the murdered Minister's two young children, who have been at school in Kent, Mr. Alikhan, a friend of the Minister, said he was taking the children home so that the family could hear the news of their father's death.

Anti-terror call, Page 4

On returning to Damascus after cutting short a tour of the Gulf States to explain Syria's opposition to the joint U.S.-Israeli working paper on the Middle East, Mr. Khaddam claimed that the Iraqi Government was behind the attack, which he said was aimed at undermining "the clear pan-Arab positions of Syria."

A correspondent of the semi-official Egyptian Middle East News Agency who witnessed the attack reported that the gunman opened fire from a balcony as the two ministers entered the

Barclays sells Brussels tower for half cost

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

BARCLAYS BANK yesterday sold the amazingly disastrous Tour Astro office tower in Brussels for less than half its 250m. cost in the biggest property sale in the Belgian capital's office market.

Barclays banded over the 30-storey tower to a quasi-Government body, Société Nationale de Crédit d'Industrie.

The British agent Jones Lang Wootton, which arranged the deal, would not disclose the sale price but confirmed that it was the largest office sale recorded in Brussels.

This indicates a price of more than BFRs.900m. (£14.1m.). Barclays gave a further pointer to the price by commenting that the "outcome was better than we might have hoped."

As the building was valued at £16m. in February it is probable



"The figures demonstrate the strength of Decca... I see a great future."

Sir Edward Lewis

SUMMARY OF RESULTS		
Year ended 31st March	1977	1976
Group turnover	£200	£200
Exports	181,400	170,000
Profit before tax	51,800	49,100
Net profit attributable	15,888	13,695
Ordinary and "A" Ordinary Dividends	6,620	5,135
Increase in Reserves (including effect of currency changes)	2,004	1,794
	5,549	4,736

At the Annual General Meeting yesterday Sir Edward Lewis spoke of Decca's increased profits and exports and of the increasing importance of the Company's capital goods which contributed £15.9 million to pre-interest profits, an increase of 52%.

He referred to the great strength of the Decca Navigator system and to the continued success of Decca radar, survey and avionics and stressed the importance of electronic warfare as a major growth area.

Sir Edward expected group results for the first six months of the current year to be comparable with last year with, as he saw it now, an increase in profits for this year as a whole. Looking to the future, he reminded shareholders of Decca's abundance of ideas and resources. He believed the maintenance of Decca's independence had been and would continue to be in the best interest of consumers, employees, shareholders and the industries in which they were engaged.

Decca had a loyal and dedicated management and staff to whom he offered his warmest thanks. With their talents and the will to succeed he was confident of the future.

Copies of the Chairman's full speech can be obtained from the Secretary, 9 Albert Embankment, SE1 7SW.

Weather	
U.K. TO-DAY	
DRY, some sun after fog.	
London, E. Anglia, E. and W. Midlands, S.E. Cent., S. E. Cent. N. England.	
Dry, fog at first, sunny later. Max. 16C (61F).	
Channel Islands, Wales, S.W. N.W., N.E. England	
Dry, fog patches early, sunny. Max. 16C (61F).	
Lake District, 1-6 of Man	
Dry, warm. Max. 15C (59F).	
Outlook: try, rain spreading to south-east.	
BUSINESS CENTRES	
Yday	Today
Amsterdam	F 10 20
Bombay	F 10 20
Calcutta	F 10 20
Colon	F 10 20
Hong Kong	F 10 20
London	F 10 20
Lyons	F 10 20
Manila	F 10 20
Medan	F 10 20
Mumbai	F 10 20
Rangoon	F 10 20
Singapore	F 10 20
Sourabaya	F 10 20
Tokyo	F 10 20
Yokohama	F 10 20
HOLIDAY RESORTS	
Yday	Today
Amsterdam	F 10 20
Bombay	F 10 20
Calcutta	F 10 20
Colon	F 10 20
Hong Kong	F 10 20
London	F 10 20
Lyons	F 10 20
Manila	F 10 20
Medan	F 10 20
Mumbai	F 10 20
Rangoon	F 10 20
Singapore	F 10 20
Sourabaya	F 10 20
Tokyo	F 10 20
Yokohama	F 10 20

AP/10/15/77